

# CE-CONNECTOR OPERATIONAL MANUAL

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Final version

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Version  
31.08.2020



# *INTRODUCTION*

The purpose of CE-Connector ACIF Operational Manual is to set up process for facilitation of investment deals between Business Angels, Startups and Providers of public leverage through the CE-Connector ACIF (co-investment fund).

This document was written by an Editorial Board, CE-Connector partners, their Advisory Groups and external experts. It was based on theoretical foundations on ACIF funds and deal structures provided by relevant stakeholders (such as Invest Europe) and expertise and experience of CE-Connector partners.

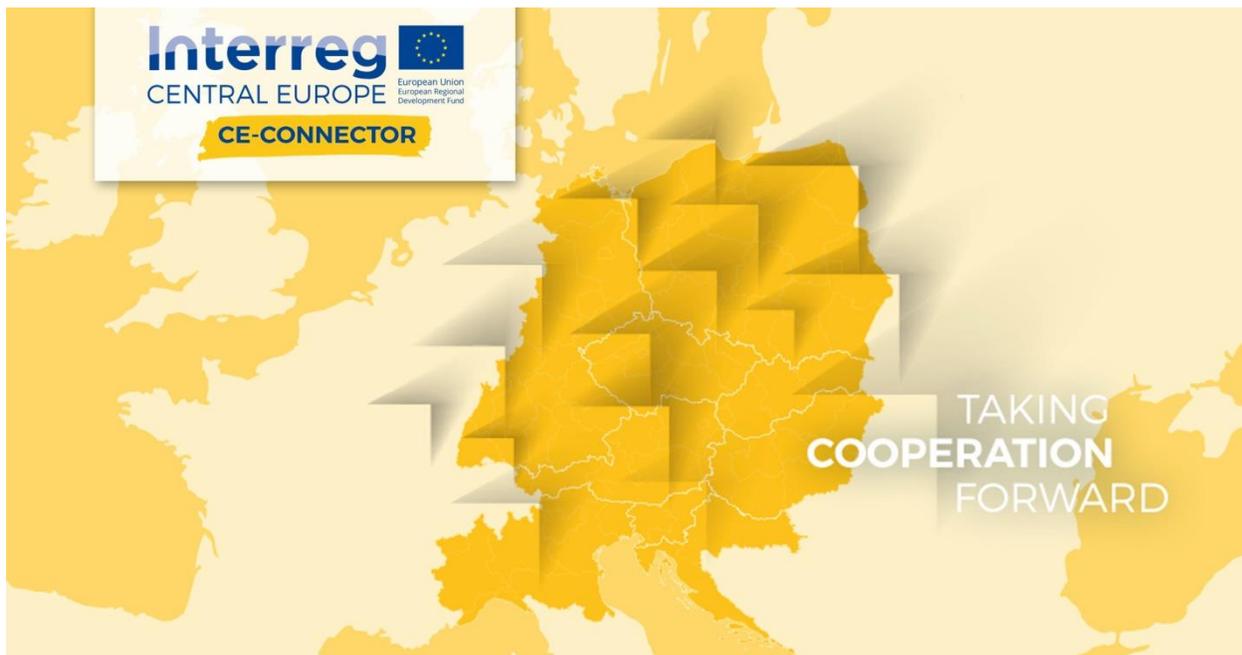


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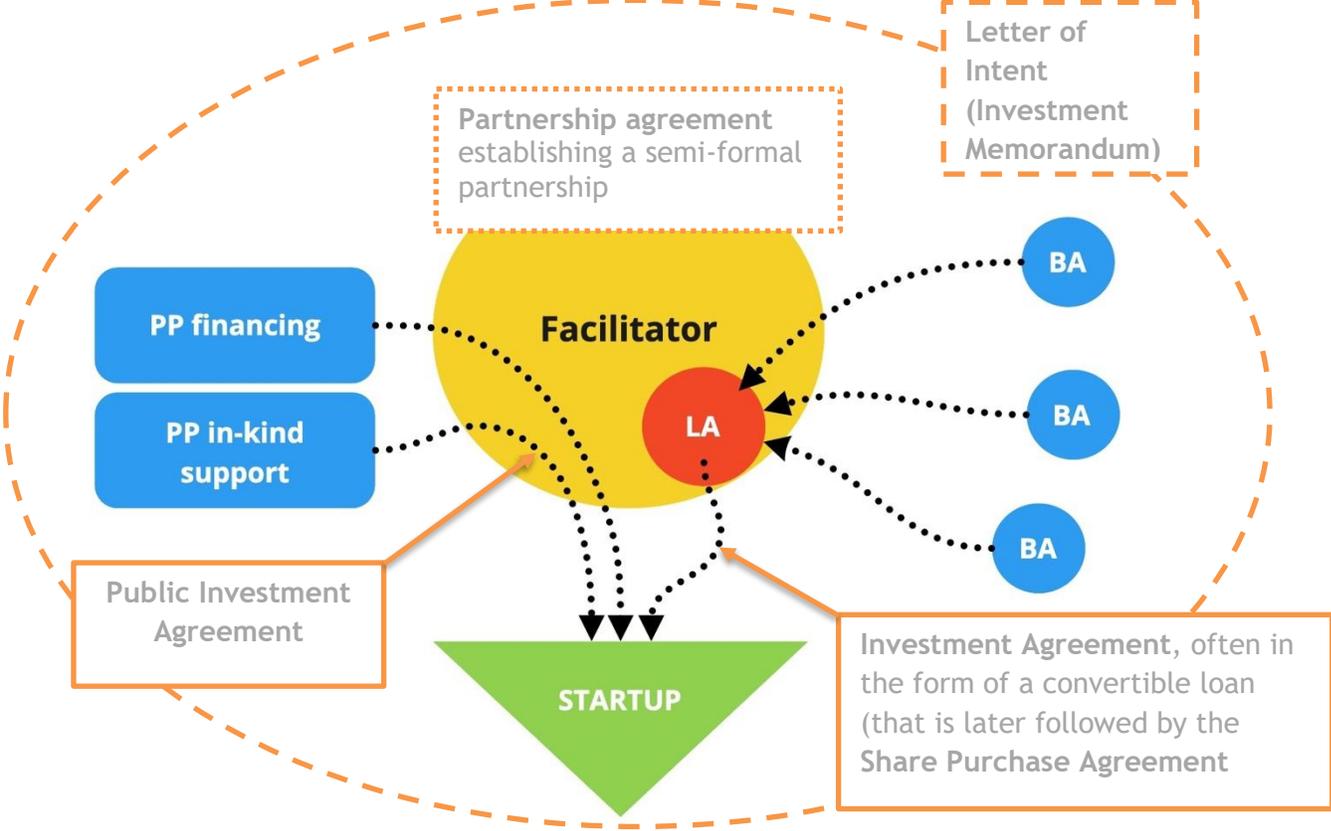
# CE-CONNECTOR

## *ACIF Operational Manual*

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# CE-CONNECTOR ACIF STRUCTURE



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# CE-CONNECTOR'S PARTNER LIST

- (Facilitator - F) DEX Innovation Centre**, 460 01 Liberec, Rumjancevova 696/3, the Czech Republic, represented by Jan Kubalík (Lead Partner)
- (F) Optimization**, 10 000 Zagreb, Istarska ulica 47, Croatia, represented by Dalibor Marijanović (Partner 2)
- Zagreb Innovation Centre Ltd.**, 10 000 Zagreb, Dragutina Golika 63, Croatia, represented by Frane Šesnić (Partner 3)
- (F) P-INVENT Consulting, Trading and Services Kft.**, 1039 Budapest, Királyok útja 243-245, Hungary, represented by István Pesti (Partner 4)
- Hungarian Foundation for Enterprise Promotion**, 1037 Budapest, Szépvölgyi út 135, Hungary, represented by Dr. Márton Braun (Partner 5)
- (F) Bogatin, market research and consulting company, Ltd.**, 1210 Ljubljana-Sentvid, Smerdujeva 18, Slovenia, represented by dr. Ales Pustovrh (Partner 6)
- Technology Park Ljubljana**, 1000 Ljubljana, Tehnološki park 19, Slovenia, represented by dr. Jernej Pintar (Partner 7)
- Lodzkie Region**, 90 – 051 Łódź, Piłsudskiego Avenue 8, Poland, represented by Marcin Podgórski (Partner 8)
- (F) Automotive. Engineering. Network - The Mobility Cluster e.V.**, 76133 Karlsruhe, Zähringer Str. 65a, Germany, represented by Waldemar Epple (Partner 9)
- (F) Centre for Support of Entrepreneurship „Connect“ Sp. LTD**, 30-392 Cracow, ul. Karola Bunscha 18, Poland, represented by Joanna Świerc (Partner 10)
- City of Karlsruhe**, 76133 Karlsruhe, Zähringerstr. 65a, Germany, represented by Michael Kaiser (Partner 11)

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# *DEFINITIONS*

## **Startup**

A Startup is a company requiring investment that is defined according to the Invest Europe guidelines and definitions or according to definitions of Providers of Public Leverage in each Territory.

## **Angel Co-investment funds (ACIFs)**

Angel Co-investment funds are generally specific financial schemes operated by networks of private and non-governmental public organizations investing private-public co-investment funds.

## **Facilitators (F)**

Some partners involved in the CE-Connector ACIF are defined here as Facilitators. They are the facilitator of the co-investment cooperation and future ACIF investments between Startups, Providers of Public Leverage and Business Angels.

## **Territory**

CE-Connector territory covers the Czech Republic, Poland, Hungary, Slovenia, Croatia and Baden Wurttemberg region of Germany.

## **Deal structure**

Legally, the deal is structured as a co-investment agreement (later: Investment Agreement) for investment to the specific Startup among Business Angels, while Lead Angel represents the group.

## **Business Angel (BA)**

Business Angels are individuals or groups (often called Angel Syndicates) of wealthy individuals that help entrepreneurial individuals and their companies succeed with a business idea by investing their own money.

## **Lead Business Angel (LA)**

Lead Business Angel is an individual Business Angel who typically takes the lead role when an investment deal involves several Business Angels who help negotiate the private investment deal with the Startup.

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## **Provider of Public leverage (PP)**

Providers of Public Leverage act as independent parties with the Startup, providing them with a contribution in the form of financial or in-kind support (such as office space, mentors, webinars, etc.). They manage the relations with the Startup with a Public Investment Agreement - an agreement concluded between the Provider of Public Leverage and the Startup - usually arising from specific conditions governing each Provider of Public Leverage and condition of providing its resources to private projects.

## **Convertible loan**

A convertible loan is a short-term debt that converts into equity, usually at the next investment round. A convertible loan allows an investor to convert a loan it has made to the company into equity that means shares in the company on pre-agreed terms and usually, but not always, at a discount.

## **Term Sheet**

A term sheet is a nonbinding agreement setting forth the basic terms and conditions under which an investment will be made. It serves as a template to develop more detailed legally binding documents.

## **Write-down**

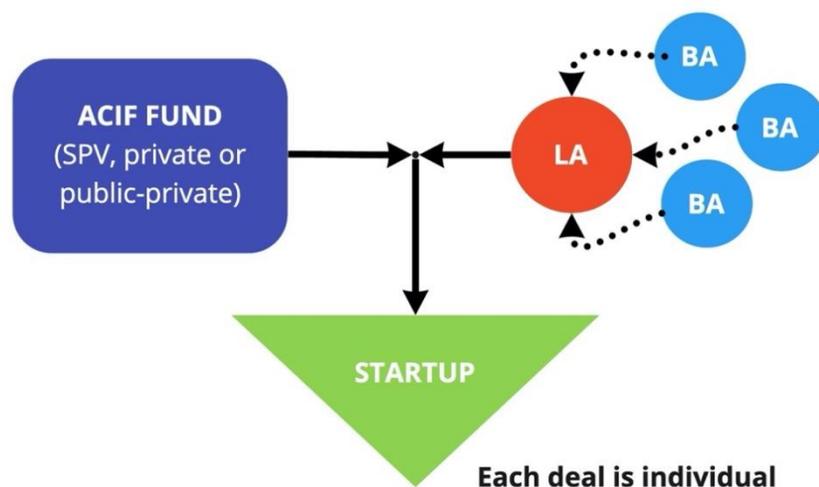
A write-down is an accounting term for the reduction in the book value of an asset when its fair market value has fallen below the carrying book value.

For other definitions, please consult Invest Europe guidelines and glossary.

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# WHAT ARE ANGEL CO-INVESTMENT FUNDS – THE DEFINITION OF ACIF

## Usual ACIF structure and operations



SOURCE: OWN CONCEPTUALIZATION

Angel Co-investment funds (ACIFs) are specific financial schemes of governmentally led public co-investment funds, with notable success primarily in the UK. Such funds have a dedicated legal structure. They are mostly established as investment Special Purpose Vehicle (SPV), while the shareholders are most often one single public body, which fully controls the fund's operation (names the Advisory board, Board of Director, Investment board) and also provides 100 % of public finances to the fund, less often the group of two or more public bodies, and even less often one or more public bodies together with some private capital providers (bank, VC etc.).

Private leverage of public funds in ACIFs is provided by Business Angels. Business Angels are not joining the ACIFs, they invest in ad-hoc principles as co-investors. Usually, the group of Angels is led by Lead Business Angel.

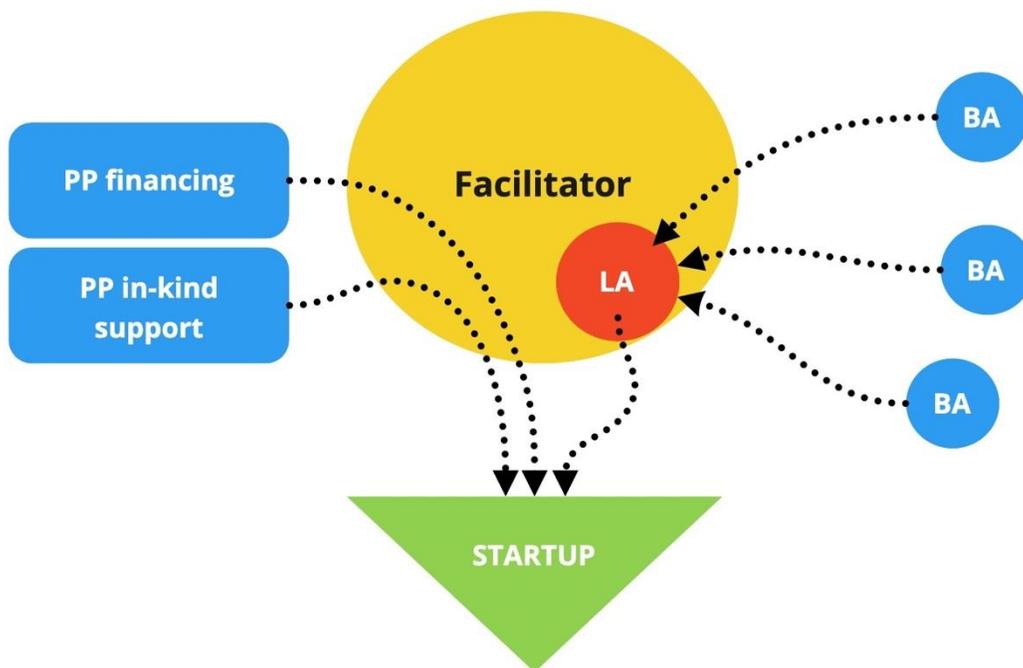
Legally, the deal is structured as a co-investment agreement for investment to the specific Startup among Business Angels, while Lead Angel represents the group. This contract usually covers only one investment. Then the co-investment contract between Lead Angel and ACIF is

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signed, most often in the form of an ad-hoc contract, which also covers only one joint investment to one asset (start-up / scale-up).

Angel Co-investment Funds are usually not raising money on the market. They operate with public funds and therefore follow the principles (till various extent) of public finances.

### CE-Connector ACIF structure and operations



SOURCE: OWN CONCEPTUALIZATION

CE-Connector ACIF has been created for Central Europe ecosystem. Operations of the CE-Connector ACIF are co-financed at pilot start by the EU funds and this allows the project partners to develop necessary structure for implementation of the ACIF in this ecosystem. Partners involved in the CE-Connector ACIF - defined here as Facilitators - will be the facilitators of the co-investment cooperation and future CE-Connector ACIF investments.

CE-Connector ACIF investment decisions will be publicly driven, as is usual in the ACIFs funds because such providers need to follow public funds principles. Involved public providers will use financial policy tools (or other types of tools for in-kind contribution) which are already

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designed and the decision-making process is approved by the respective policy representatives. However, here, the investment decisions are done at territorial levels (6 countries or regions), and these decisions are carried out in each territory in the framework given by used specific leverage tools of public providers. The ecosystem of Providers of Public Leverage is expected to be fully fragmented so CE-Connector operates standalone management structures in every CE-Connector territory (6 countries or regions) working based on the same principle described in this document. The cooperation is done through the CE-Connector network and cross-border co-investments.

These investments are co-financed by groups of minimum 3 Business Angels joined together for a specific (ad-hoc) investment. Often, these groups will work with startups already working with public partners.

The Facilitators play a role as the facilitator of the ACIF investment and the public-private investment cooperation and work with Providers of Public Leverage and groups of Business Angels and can even substitute the role of the Lead Angel on the private investment side if needed.

There are generally 3 contributing parties of CE-Connector ACIF:

- (i) Provider of Public Leverage,**
- (ii) Association of private Business Angels and the Facilitator,**
- (iii) Startup.**

However, no special purpose vehicle (SPV) will be established, Providers of Public Leverage act as independent parties with the Startup and will only sign specific Public co-investment agreement (as detailed below).

Therefore, territorial operations are covered by legal agreements between the contributing parties with the following benefits: the formalized relationship between the private investing partners and facilitators (Business Angels and Facilitator), a simple contractual relationship between all parties (especially when all contract templates are in place), simple management of the private part of the investors, a simplified procedure for Provider of Public Leverage, simplified decision making for Startups (founders), and minimization of costs in case of the project failure. The simplicity and standardization of co-investment procedure (at least for deals below 100 000 EUR) is needed for all involved parties.

Practically it means that the following relations should be managed and signed for all investment deals at a territorial level:

**SUGGESTED:**

**Letter of Intent (Investment Memorandum)**

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A non-binding declaration of interest in cooperation on certain investment within the parties. It's main aim is to have a formal declaration of the joint interest of Business Angels, Provider of public leverage and the Facilitator to try to realise the project of a public-private investment. It is made as non-binding, so that it does not require formal procedures on the party of the Public Provider. Application of this document is recommended (for example for the purpose of communication with Startups), however this shall be always subject to the special conditions and customs in the respective Territory. It could be also concluded without the Business Angels (in such situation, Facilitator will “bring” the Public Provider to the co-investment).

REQUESTED:

### **Public Investment Agreement**

An agreement concluded between the Provider of Public Leverage and the Startup (usually arising from specific conditions governing each Provider of Public Leverage and condition of providing its resources to private projects), designing the conditions of the investment by the Provider of Public Leverage (incl. the right of the Provider of Public Leverage on remuneration usually. This agreement (or potentially even other form of a legal document) shall be presented by the Provider of Public Leverage, as it is usually defined by the project/grant, from which the investment is provided.<sup>1</sup> Therefore Operational Manual does not provide any template for such agreement, as this usually is sourced from already available documents of Providers of public leverage.

### **Company (Association) without Legal Personality - Partnership Agreement**

This Agreement creates a Partnership between Business Angels and the Facilitator while appointing a Lead Business Angel and enabling easier communication with Startups and in general helping and enabling the process of investment. It should be concluded before concluding the Investment Agreement.

### **Investment Agreement**

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<sup>1</sup> For a start-up, public funding is often seen as a risk-free capital, non-dilutive, which means that companies will not have to give up ownership shares in return for the funding (equity-free).

In practice, PP can offer two types of support for startups:

- financing in the form of financial grants, low-interest loans, development vouchers
- in-kind support in the form of training, consultancy services, business incubators, accelerations, i.e. practical and educational workshop programs in running a startup, office space rental on favourable terms or free coworking space.

*Finding the right funding program for a startup sounds simple but the market for funding is vast and it takes time to identify the best options. Some programs have a bottom-up call, while others have specific theme-based calls. Public funding helps attract and leverage further investments. Each country, territory and supporting instrument has specific requirements. The contract is concluded directly between the Provider of public leverage and the startup.*

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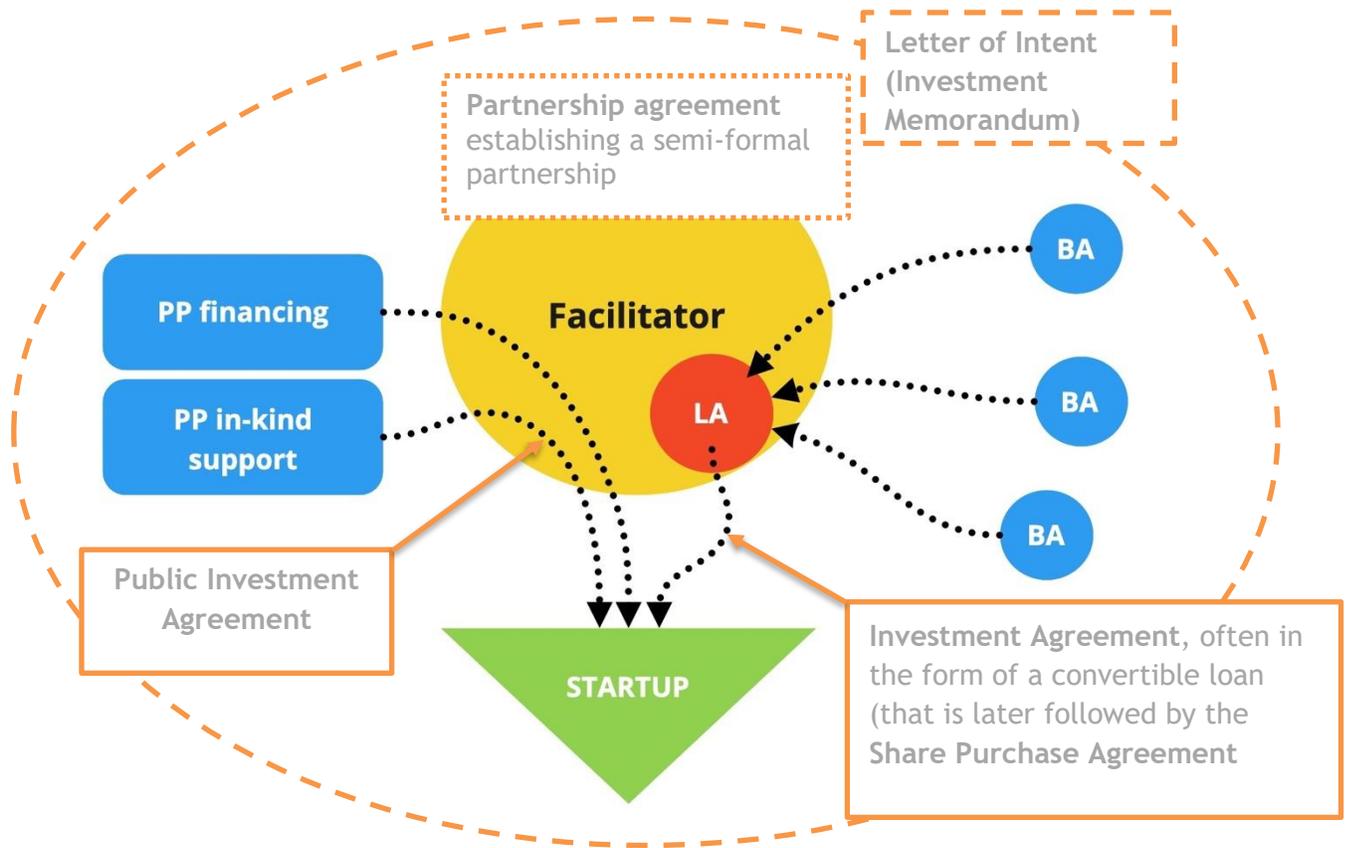
An Agreement setting out main terms and conditions of investment in Startup in order to help Startup with further development as well as acquiring shares in case of successful investment. The parties are: The Facilitator, as a coordinator and provider of organizational support, the Business Angels as providers of investments (represented by the Partnership) and Startup. Investment Agreement shall be concluded after the Memorandum (if signed) and Partnership Agreement, however it will always be upon individual investments and involved subjects.

### **Share Purchase Agreement (SPA)**

This Agreement is the final step of the whole investment's process and it will be concluded upon fulfilling all terms and conditions set out in the Investment Agreement, i.e. in case of successful investments. Its purpose is obtaining shares in Startup. The parties of the SPA will be decided already in the Investment Agreement as a part of the terms and conditions.

The deal structure between Facilitator and Provider of Public Leverage involved in the CE-Connector ACIF will vary from territory to territory, or can even vary in the same territory for different deals. The set-up of the deal between both partners in the same territory (region or country) is fully up to both parties and shall not be framed anyhow at the level of the CE-Connector ACIF.

CE-Connector Facilitators play a role as facilitators of the ACIF investment and the public-private investment cooperation and can complement or substitute the role of the Lead Angel on the private investment side.



SOURCE: OWN CONCEPTUALIZATION

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# *HOW TO SOURCE AND SELECT STARTUPS AND BUSINESS ANGELS*

## **Meeting Investment criteria**

In all cases, a target investment must meet the investment eligibility criteria **on the transregional level, Investment criteria on the territorial level and Business criteria**). This is a gating item in the due diligence process for selection or investment.

Investment criteria for co-investment through CE-Connector ACIF are defined on two levels. Some investment criteria will be fixed for all national/regional Facilitators on the transregional level, whereas others (e.g. industry focus) can be based on the focus of the given territory, especially through the Provider of Public Leverage limitation and focus. Investment criteria will also include exclusion criteria for investments. This is the mandatory criteria for all ACIF investment.

### INVESTMENT CRITERIA ON THE TRANSREGIONAL LEVEL:

- Startup registered in CE-Connector territory at the time of the investment;
- Startup in early-stage (before venture capital investment);
- investment size needed: 75 000 - 1 000 000 EUR (including both public leverage and private BA investments);
- exclusion of the industries (specifically defined in the Annex);
- all have the potential for high demand and can scale easily (market size is big enough and growing);
- all sectors that have experienced at least one high-value (EUR 100M or higher) exit in the last 5 years.

### INVESTMENT CRITERIA ON TERRITORIAL LEVEL – DEPENDING ON INDIVIDUAL TERRITORY:

- the industry focus of Startup on selected RIS3 segment per Territory (defined in the Annex);
- territorial relevance of the Startup for the given territory of the Provider of Public Leverage (e.g. registration and physical / virtual office in the given territory, major impact at the territory in terms of employment: new jobs likely to be created);
- agreed co-investment from public sources by given Provider of Public Leverage in the needed value of at least 25 % of the total investment;

- 
- formed interested Business Angel Group with minimum 3 Business Angels including 1 lead investor;
  - passed basic and advanced due diligence (Due Diligence Questionnaire in the Annex).

#### BUSINESS CRITERIA:

- Initially, the primary factor of selection to look at exit potential in terms of the mechanism for exit; strategic buyers, if appropriate; and also, the potential for the investment to meet the required exit multiple that will achieve the Business Angels target internal rate of return (IRR). To achieve the required exit multiple, reasonable entry valuation of the business has to be assured. A key element of the regional strategy adopted by facilitators is that valuations are currently significantly lower compared to more developed VC markets, e.g. London, Silicon Valley. In particular, this means that targeted valuations will be a multiple of sales or profit that will be lower than in these markets (for example, a proposed valuation by ACIF will be 10-15x of the Startup's recurring yearly revenue).

To fulfil the criteria to scaling easily, CE-Connector only considers opportunities that can scale on an international basis. CE-Connector prefers the investments where CE-Connector can help to go international (to the regions where Facilitators are located).

### Selecting Startup

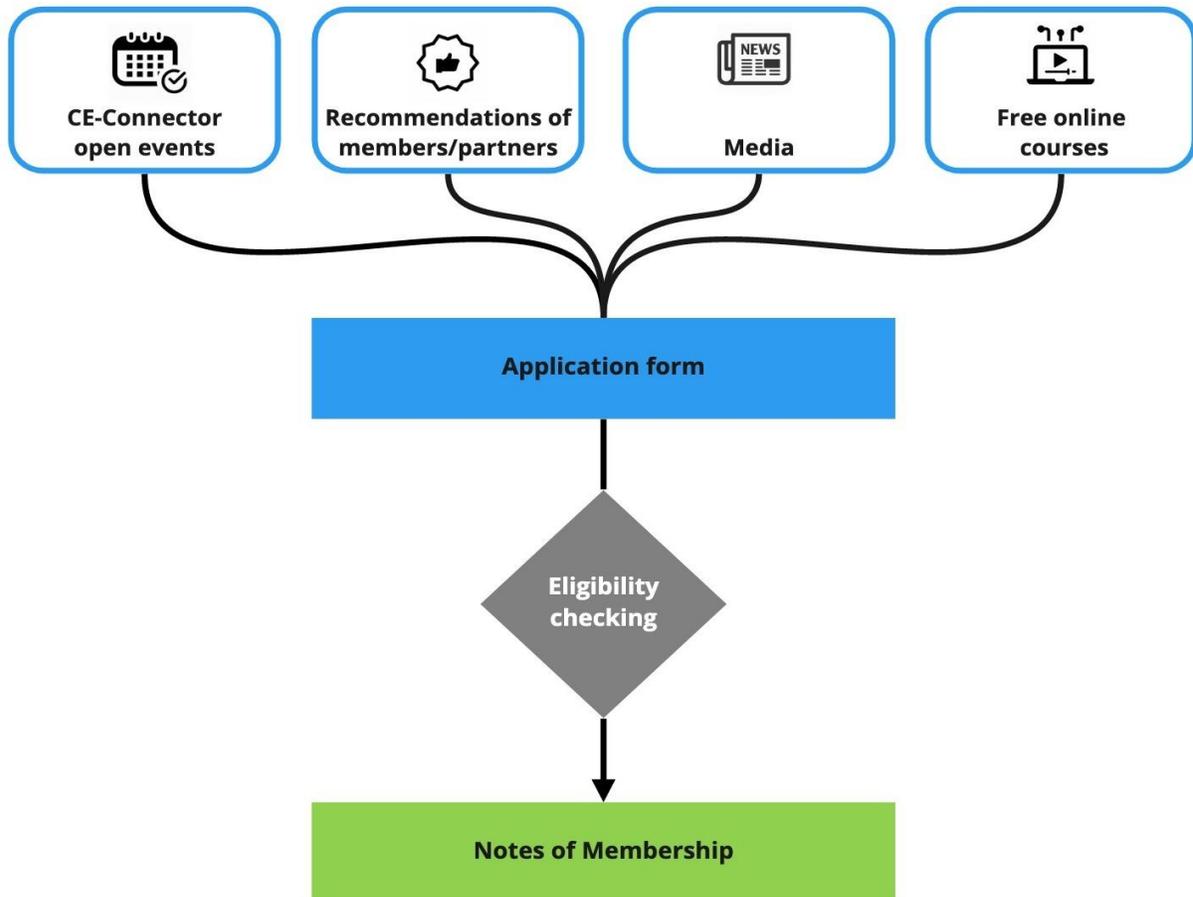
1. Project Partners promote the investment opportunity provided by CE-Connector to universities, incubators, accelerators and other sources of startups beside usual communication channels in a way that they can attract new deal flow from these sources. CE-Connector operates as a single-entry point (an application entry form on the project's website; Annex) that gathers basic information for all Startups and put them into a single database. With this form, Startups are also informed about the basic terms of the investment. Either Startup can find the opportunity and insert these data by themselves (passive approach) or they can be found based on the Facilitators' scouting activity and then ask them to fill in the application.
2. New startup applications in the single database are discussed by the group of facilitators at the Screening meeting every month unless otherwise agreed by all members of the facilitator's group (when ad-hoc meetings can be held). Each Facilitator of the CE-Connector nominates one member to the facilitator's group based on their internal criteria. For those Startups that the project partners see the potential to help them (either as a group or individually), the partnership makes their application ACTIVE and appoints one person among the facilitators as the Principal. Others are notified that interest in the investment is not expressed and they remain in the CE-Connector database for the case if interest in the investment is demonstrated by Business Angels in the future.

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3. For ACTIVE applications, Principal gathers more information from the Startup to perform basic due diligence (including pitch deck/business plan, intellectual property status, the fulfilment of public investment criteria, legal conditions for investments) and also gathers interest from Business Angels to evaluate if a match can be found. The Principal also prepares a proposal for the public (in-kind and/or financial) contribution available for the Startup. Basic due diligence with required startup information and potential public contributions (including its potential size of up to 25 % of the total investment) should be completed by one of the next group meetings.
  4. At regular (virtual, preferably monthly) Demo Days, ACTIVE startups that have some initial interest from Business Angels are presented to all interested Business Angels. After Demo Days, CE-Connector has a clear view of the possibilities of helping a Startup to raise private (which BA and how much) and public funds. The partnership is open for accepting interest to invest from additional Business Angels all the time, not connected to Demo Days.
  5. A specific investment offer (Term Sheet; Annex) is presented to the Startup after Demo Day when co-investment of private and public provider reaches the needed investment sum. Alternatively, the Startup is informed that CE-Connector is unable to find sufficient interest from investors and no Term Sheet is available to them, but they can remain in the database in case some Business Angels would state their interest at a later time. In certain exceptions, Startups can negotiate an individual path towards investment without Demo Day presentation if its Principal requests so.

## Sourcing Business Angels

CE-Connector welcomes and accepts individuals to become a member of the CE-Connector Angel Investment Market. They can join as individuals or as groups (often called Angel Syndicates). CE-Connector will implement this with a Business Angel onboarding process:

1. CE-Connector actively seeks potential Business Angels and promotes the concept and values that CE-Connector delivers to Business Angel investors:
  - a. CE-Connector has to be presented as a highly trusted network of Business Angels that brings values beyond accessing innovations to invest in: “We help you to be comfortable if you start angel investing.”
2. CE-Connector accepts applications (Annex) to become a member of the CE-Connector Angel Investment Market from individuals to join that fulfil the following criteria:
  - a. All applications are tentatively accepted if the applicant can obtain 2 recommendations from existing members or founding partners of CE-Connector.
  - b. Applications become full members after participating in the first investment deal.



Details about the process of awareness-raising and selecting Business Angels is described into more details in the Annex.

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# *DEAL-MAKING FACILITATION*

After CE-Connector has Startups and Business Angels identified, the next step in the process is to complete an investment deal.

## **The investment process**

The investment process is the process of completing the deal between a selected Startup (that has passed due diligence) and the Business Angels from the Angel Investment Market, that have stated interest for investing into the selected Startup. In this process, potential corrective measures and adjustments to the proposed investment deal can be negotiated and implemented by the Startup. Startup can decide on how to implement the corrective measures and evaluate if the ACIF deal can be concluded. Finally, the confirmation of public contribution to the deal needs to be agreed with Provider of public leverage by the startup by signing Public co-investment agreement.

With the combination of Business Angels, public contribution and the fully vetted Startups is ready to complete the investment. This is done through the Term Sheet where all the terms and conditions are detailed by the investors. As the private investment is confirmed with the acceptance and confirmation of the Term Sheet and Investment agreement, the public contribution needs to be confirmed by the signing of the public investment agreement.

It is important to understand Business Angels make an investment decision, CE-Connector just assures initial eligibility checks and help them with the deal implementation (if they won't help). CE-Connector does not make an investment decision; Business Angels have to take responsibility for it. CE-Connector does not assume any liability for the investment as well as for the quality of Startup.

The role of CE-Connector is to facilitate in making the deal with Business Angels and the Provider of Public Leverage, if necessary provide template co-investment agreements, Term Sheet, investment proposal (between Startups, Business Angels, Providers of Public Leverage), including indicative legal terms (CE-Connector's templates are available in the Annex). If the public investment is exceeding the capacity of the public partner, this investment would not be counted as a CE-Connector ACIF investment but it can still be concluded.

## **Investment steps**

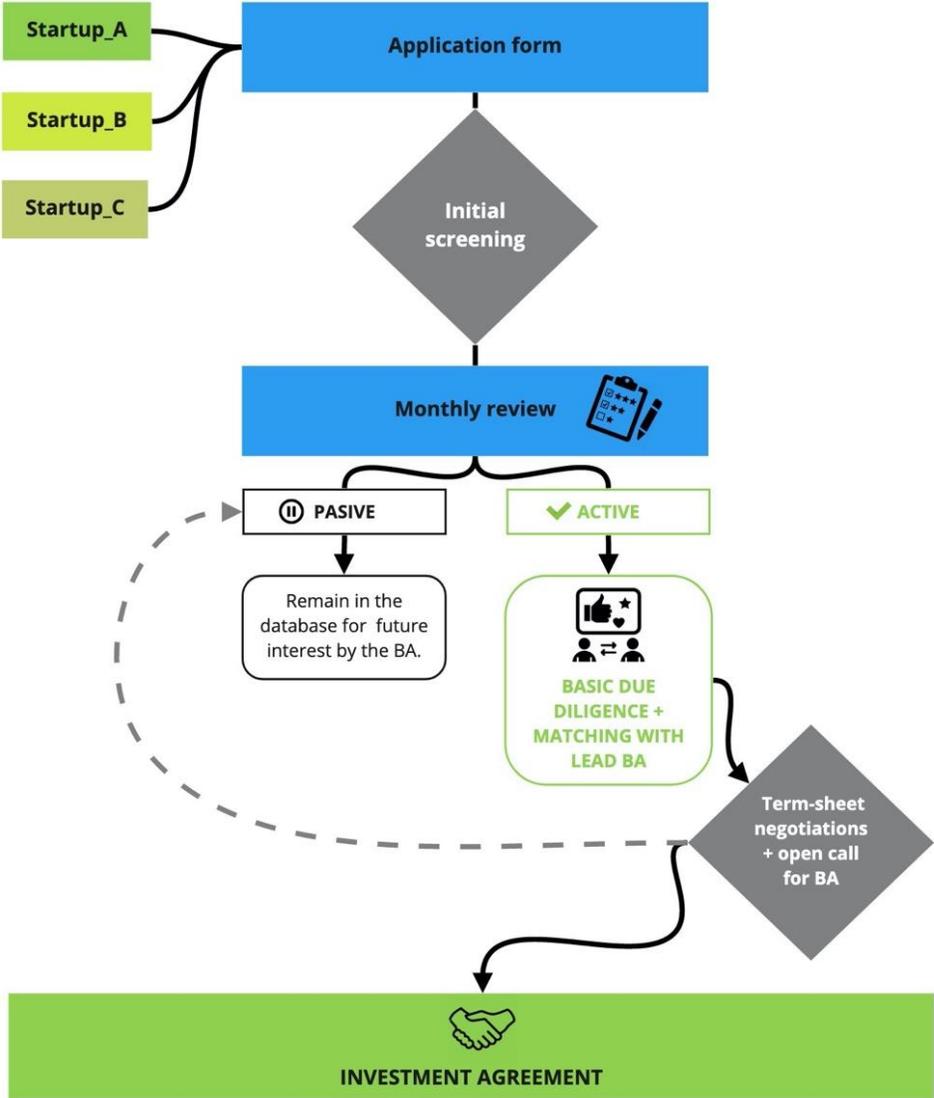
1. All applicants need to submit their application with basic data through the single-entry point - a short questionnaire also used to inform them about key terms and conditions. Initial screening and the completeness check make sure that all the applications are providing unified information.

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2. These applications are inserted into a single database. All new entries in the application are reviewed on a regular (monthly) basis by the facilitator's group. It designates them as ACTIVE or PASSIVE for ACIF investment. ACTIVE investments are appointed a Principal from the facilitator's group. PASSIVE investments remain in the database for potential future interest by the Business Angels. In case of clearly stated such interest would occur, the status would change to ACTIVE and a Principal would be appointed than.
  3. For ACTIVE applications, Principal gathers more information from the Startup to perform basic due diligence (including pitch deck/business plan, intellectual property status, the fulfilment of public investment criteria, legal conditions for investments) and also gathers interest from Business Angels to evaluate if a match can be found. The Principal manages the due diligence with templates and documentation for it. The Principal also prepares a proposal for the public (in-kind and/or financial) contribution available for the Startup. Basic due diligence with required startup information and potential public contributions should be completed by one of the next group meetings.
  4. The Principal facilitates the connection between Lead Business Angels and the Startup. This includes presentations of the Startups at regular Demo Days. When such interest is established, the Investment Memorandum is signed. If no connection between Lead Business Angel and the startup is established within 1 month, the status of the Startup is changed to PASSIVE.
  5. Following the signing of the Letter of Intent (Investment Memorandum), the Lead Business Angel negotiates with the Startup and presents a Term-Sheet.
  6. Lead Business Angel announces personal investment in deal, demonstrating its confidence in the investment's potential. It announces the open call to other investors and shares details on the opportunity with those which express the interest. He defines the deadline (for example 5-10 business days) in which other Business Angels can join him with the same conditions. If the minimum investment size is not reached, the investment is not completed and the procedure can be repeated or the opportunity can become PASSIVE.
  7. All Investors sign an Investment Agreement, usually in a form of Convertible Loan Agreement. The Principal can help with the contracting, usually with providing templates for such deals.
  8. The Principal arranges the Public Investment Agreement with the Startup.
  9. According to the Investment Memorandum, the Facilitators role (represented by the Principal) in the deal making process is concluded with the signing of both agreements.
  10. At the next investment round by the Startup, the Convertible Loan is converted into equity share with a Share Purchase Agreement. This is already part of the Portfolio Management activities by the ACIF.

The Principal provides assisting documents:

- to help lead Business Angel in making the due diligence and
  - to carry out the contracting procedure and the reporting and management of portfolio.
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Investment in a nutshell



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# *MANAGEMENT OF COMPLETED DEALS*

## **ACIF Portfolio management**

For the Startups that have completed the investment process, facilitated by the CE-Connector, they become part of the ACIF Portfolio. CE-Connector is implementing reporting, management practices, auditing, administration, communication and controlling of all Startups in the portfolio, and it can earn fees from Business Angels to have control and to implement these activities.

Managing this portfolio requires different roles from Business Angels, CE-Connector Facilitators and Providers of Public Leverage.

Basic alignment of roles in portfolio management:

- Startup founders:
  - Execute the strategy
  - Daily manage the company
  - Report to the board
- Business Angels:
  - Support business and organization development
  - Arrange strategic partnerships
  - Feed pipeline
- Provider of public leverage:
  - Provide fund/other public leverage
  - Provide access to further state resources
  - Direct contact to public authority representatives (pilot projects)
- The representative of Facilitator:
  - Provide portfolio administration activities
  - Provide administrative support
  - Support due diligence and contract delivery
- Shareholders Board (when one is defined in the Term Sheet with a role for ACIF in it - more details in the Annex):
  - Strategy making
  - Decisions with a large impact on strategy and finances
  - Controlling

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# *INTRODUCTION TO LEGAL DOCUMENTS IN ANNEXES*

## **Letter of Intent – Investment Memorandum**

This document is a non-binding declaration of interest in cooperation on certain investment within the parties. Its main aim is to have a formal declaration of the joint interest of Business Angels, Provider of public leverage and the Facilitator to try to realize the project of a public-private investment.

It is made as non-binding, so that it does not require formal procedures on the party of the Provider of public leverage. Application of this document is recommended (for example for the purpose of communication with startups), however this shall be always subject to the special conditions and customs in the respective country.

It should be concluded as a first step in the investment's process. In our opinion it is always useful and helpful to have general declaration between the investing parties.

At the moment the parties of Memorandum are Business Angels, the Facilitator and the Provider of public leverage. It could be also concluded without the Business Angels (in such situation, Facilitator will “bring” the Public Provider to the co-investment).

## **Partnership Agreement**

This Agreement creates a Partnership between Business Angels and the Facilitator while appointing a Lead Business Angel and enabling easier communication with startups and in general helping and enabling the process of investment.

It should be concluded before concluding the Investment Agreement.

## **Investment Agreement**

This Agreement sets out main terms and conditions of investment in startups in order to help startups with further development as well as acquiring shares in case of successful investment.

The parties are: The Facilitator, as a coordinator and provider of organizational support, the Business Angels as providers of investments (represented by the Partnership) and the Startup.

Investment Agreement shall be concluded after the Memorandum and Partnership Agreement, however it will always be upon individual investments and involved subjects.

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## Share Purchase Agreement

This Agreement is the final step of the whole investment's process and it will be concluded upon fulfilling all terms and conditions set out in the Investment Agreement, i.e. in case of successful investments.

Its purpose is obtaining shares in startups by Business Angels and possibly even by the Facilitator if agreed.

The parties of the SPA will be decided already in the Investment Agreement as a part of the terms and conditions.

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# ***LIST OF ABBREVIATIONS***

**F** - Facilitator

**BA** - Business Angel

**LA** - Lead Business Angel

**PP** - Providers of Public Leverage

**ACIF** - Angel Co-Investment Fund

**IRR** - Internal rate of return

**SPV** - Special purpose vehicle

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## ***LIST OF ANNEXES***

**Annex 1** - Letter of Intent (Investment Memorandum)

**Annex 2** - Partnership Agreement

**Annex 3** - Investment Agreement

**Annex 4** - Share Purchase Agreement

**Annex 5** - Non-Disclosure Agreement (NDA)

**Annex 6** - Startup Application (segments of the single entry point) - shall be always in line with website application form

**Annex 7** - Term Sheet Offer

**Annex 8** - Application Form for Business Angels - shall be always in line with website application form

**Annex 9** - Process of Awareness-raising and Selecting Business Angels

**Annex 10** - Restricted Sectors

**Annex 11** - Industry focus per Territory

**Annex 12** - Due Diligence Questionnaire

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# *ANNEX 1 – LETTER OF INTENT (INVESTMENT MEMORANDUM)*

## **(Facilitator name)**

Registered office:

Company Reg. No.:

Authorised Representative:

Entry No. in Register:

("Facilitator")

and

## **(Provider of public leverage name)**

Registered office:

Company Reg. No.:

Authorised Representative:

Entry No. in Register:

("Public Provider")

and

## **(Business angel 1 name)**

Registered office:

Company Reg. No.:

Authorised Representative:

Entry No. in Commercial Register:

("Business Angel 1")

and

## **(Business angel 2 name)**

Registered office:

Company Reg. No.:

---

Authorised Representative:  
Entry No. in Commercial Register:  
(“**Business Angel 2**”)

and

(**Business angel 3 name**)

Registered office:  
Company Reg. No.:  
Authorised Representative:  
Entry No. in Commercial Register:  
(“**Business Angel 3**”)

(Business Angel 1, Business Angel 2 and Business Angel 3 together “**Business Angels**”)

## 1. INTRODUCTORY PROVISIONS

- 1.1. This Memorandum represents a non-binding document, by which the undersigned express their true interest to exert reasonable effort to co-operate in public-private investment scheme aimed at start-ups (“**Project**”). Description of the Project is presented as Annex 1, though parties are to expect that the final Project may vary according to the negotiations with the target start-up and other circumstances.
- 1.2. The Facilitator is to assist with facilitation of the Project.
- 1.3. The Business Angels are interested in observing opportunities to invest finances in the start-up.
- 1.4. The Public Provider organizes a programme supporting start-ups and is interested to observe possibilities to combine its support (monetary or non-monetary) with the investment of Business Angels, to increase the value of its support and the effectiveness of its programme.

## 2. BASIC CONDITIONS

- 2.1. The Facilitator and the Business Angels acknowledge that any co-operation with the Public Provider requires strict compliance with the legal regulation and other rules, governing the activities of the Public Provider and its programmes. As such, they undertake to exert reasonable efforts to comply with such rules and regulations and to proceed during the Project with respect to such rules and regulations.

- 
- 2.2. This Memorandum does not limit the Public Provider in co-operation with any subjects other than the parties.
  - 2.3. Each party acts on its own costs, unless agreed otherwise specifically.
  - 2.4. The final investment will be provided upon meeting the following conditions:
    - 2.4.1. Successful due diligence performed by the Business Angels,
    - 2.4.2. Agreement on detailed conditions of the investment between the Business Angels and the start-up,
    - 2.4.3. Agreement between the start-up and the Public Provider on conditions of Public Partner's investment (incl. compliance with the rules of the Public Provider's programme).
  - 2.5. Each party may provide the investment even without meeting all or any of the conditions presented above, upon its own discretion.
  - 2.6. Each party has the right to expect that all other parties act in good faith and exert reasonable efforts to help realisation of the Project in compliance with their specific role.

### 3. FINAL PROVISIONS

- 3.1. This Memorandum shall become effective as of the day of its signature by all parties.
- 3.2. Each party shall bear its own costs relating to this Memorandum, unless otherwise agreed.
- 3.3. The following annexes shall represent an integral part to this Memorandum:
  - 3.3.1. Project description
- 3.4. The parties hereby agree that the legal relationship created hereunder shall be governed by the (territorial) law without its rules of conflict of laws.
- 3.5. This Memorandum shall be made in four (X) counterparts. Each party receives one (1) counterpart.

**In witness thereof, the parties declare that this Memorandum resulted from their mutual negotiations, they have read this Memorandum duly, they had an opportunity to consult it with their lawyer and they understand its content and legal consequences and they agree with them.**

Place, date: \_\_\_\_\_

Place, date: \_\_\_\_\_

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<hr/> <p><b>COMPANY</b> AUTHORISED REPRESENTATIVE</p> <p>Place, date: _____</p> <hr/>	<hr/> <p><b>COMPANY</b> AUTHORISED REPRESENTATIVE</p> <p>Place, date: _____</p> <hr/>
<hr/> <p><b>COMPANY</b> AUTHORISED REPRESENTATIVE</p> <hr/>	<hr/> <p><b>COMPANY</b> AUTHORISED REPRESENTATIVE</p> <hr/>

**Annex 1**

**Project description**

[BRIEF DESCRIPTION OF THE PROJECT]

# *ANNEX 2 – PARTNERSHIP AGREEMENT*

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**(Facilitator name)**

Registered office:

Company Reg. No.:

Authorised Representative:

Entry No. in Register:

("Facilitator")

and

**(Business angel 1 name)**

Registered office:

Company Reg. No.:

Authorised Representative:

Entry No. in Commercial Register:

("Business Angel 1")

and

**(Business angel 2 name)**

Registered office:

Company Reg. No.:

Authorised Representative:

Entry No. in Commercial Register:

("Business Angel 2")

and

**(Business angel 3 name)**

Registered office:

Company Reg. No.:

Authorised Representative:

Entry No. in Commercial Register:

("Business Angel 3")

(Business Angel 1, Business Angel 2 and Business Angel 3 together "**Business Angels**")

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have entered into this Partnership Agreement ("**Agreement**").

## 1. INTRODUCTORY PROVISIONS

- 1.1. The parties and [REDACTED] ("**Public Provider**") entered into the Investment Memorandum on [REDACTED] ("**Memorandum**"). In the Investment Memorandum, the parties agreed on a framework for investing ("**Investment**") in the startup [REDACTED] ("**Startup**").
- 1.2. The parties are interested in creating the partnership without legal personality that will provide investment to the Startup. The partnership shall be governed by the rules set-up in this Agreement.

## 2. SUBJECT MATTER

- 2.1. The parties hereby establish the partnership without legal personality to provide the Investment to the Startup ("**Partnership**").
- 2.2. The purpose of the Partnership is to perform all relevant steps in order to perform the Investment as indicated in the Memorandum and further specified in Annex 1 to this Agreement ("**Investment Plan**"). The process of the Investment may be customized or updated upon agreement of all partners of the Partnership. The purpose of the Investment is to provide as much of it as possible for the further development of the Startup.
- 2.3. The parties agreed that the **Business Angel 1** shall represent the leading Business Angel ("**Leading BA**") for the purposes of the Partnership.
- 2.4. The Leading BA is entitled to represent the Partnership, especially to solely act and negotiate for the benefit of the Partnership regarding the Investment. The Leading BA is not entitled to bind other members of the Partnership by any rights or obligations, except those explicitly arising from this Agreement.
- 2.5. All Business Angels hereby undertake to exert reasonable efforts, as arising from this Agreement, in order to finalise the Investment according to the Investment Plan, especially to conclude all related agreements, issue all related documents and provide finances as planned, if the pre-conditions agreed for the Investment, and presented in Annex 3, are met. Should any of the Business Angels not provide Investment as agreed by this Agreement even when the pre-conditions are met, he/she/it is obliged to repay the other parties all costs provided by them in relation to this Agreement and the Investment.
- 2.6. All parties undertake to act in good faith in order to finalise the Investment through this Partnership, especially not to act on their own behalf, to the detriment of other Partnership members, etc.
- 2.7. The Business Angels are obliged to provide the Partnership financing of its operation. Such financing is specified in Annex 2.

- 
- 2.8. Any income from the activities of the Partnership shall be distributed within its members in the ratio [REDACTED].
  - 2.9. The Facilitator undertakes to facilitate the further process of the Investment in compliance with the Investment Plan and its methodologies, with which the Business Angels have been made familiar. The Facilitator shall e.g. ensure communication with the Startup, Public Provider, etc., provide template documents for the next steps and other support, necessary for the successful Investment.
  - 2.10. To avoid any doubts, parties clearly express that they understand that the Facilitator does not provide any consulting or other investment services. As such, each Business Angel is solely liable for its investment and its outcome and may hire other specialists (at his/her/its own costs) for the purposes of investment and other similar professional services.
  - 2.11. The Facilitator will receive remuneration for its activities in compliance with Annex 2.
  - 2.12. Upon successful Investment, the Facilitator will also receive a XXX% share in the Startup, whereas:
    - 2.12.1. AAA% shall be provided from Business Angel's 1 share in the Startup
    - 2.12.2. BBB% shall be provided from Business Angel's 2 share in the Startup
    - 2.12.3. CCC% shall be provided from Business Angel's 3 share in the Startup
  - 2.13. To avoid any doubts, the Investment shall be considered successful in compliance with this Agreement, when the Investment Agreement is concluded between the Partnership and the Startup.

### **3. OTHER PROVISIONS**

- 3.1. The parties are obliged to provide the necessary cooperation to achieve the purpose of this Agreement.
- 3.2. The parties are obliged to refrain from any activity that could make it impossible or difficult to achieve the purpose of the Partnership.
- 3.3. The Partnership is established for the time until successful Investment.
- 3.4. If no Investment Agreement is concluded between the members of the Partnership and the Startup and its shareholders within 6 months from the conclusion of this Agreement, or the concluded Investment Agreement becomes terminated, either party is entitled to withdraw from this Agreement.
- 3.5. In case of any discrepancies between this Agreement and the Investment Memorandum, this Agreement shall prevail over the Memorandum. The confidentiality obligation pursuant to the Memorandum shall remain effective as part of this Agreement.
- 3.6. Each party, breaching this Agreement, shall compensate the damage caused to the other parties, excl. lost profit.

### **4. FINAL PROVISIONS**

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- 
- 4.1. This Agreement shall become effective as of the day of its signature by all parties.
  - 4.2. If any provision hereof proves to be or becomes invalid or unenforceable, such circumstance shall have no effect on the other provisions hereof, unless implied otherwise by the mandatory provisions of law. The parties hereby undertake to replace such provision with a valid and enforceable provision that comes as close as possible to the intended business purpose of such invalid or unenforceable provision and to do so within thirty (30) days as of the date either party has been so requested by other parties.
  - 4.3. Each party undertakes within undue delay, but no later than within two (2) days from the change of its contact details (particularly an address or an e-mail address), to inform other parties of such change in writing or via e-mail. In case any of the parties breaches this obligation, any notification delivered to the lastly confirmed address shall be deemed as delivered by third (3.) day from its placement with the post office (written notification) or by third (3.) day from its dispatch (e-mail notification).
  - 4.4. Unless this Agreement explicitly states for a specific case otherwise, it may only be amended by written amendment entered into by all parties.
  - 4.5. The following annexes shall represent an integral part to this Agreement:
    - 4.5.1. Annex 1: Investment Process
    - 4.5.2. Annex 2: Financing of the Partnership
    - 4.5.3. Annex 3: Investment Pre-Conditions
  - 4.6. The parties hereby agree that the legal relationship created hereunder shall be governed by the (territory) law without its rules of conflict of laws.
  - 4.7. This Agreement shall be made in four (4) counterparts. Each party receives one (1) counterpart.

**In witness thereof, the parties declare that this Agreement resulted from their mutual negotiations, they have read this Agreement duly, they had an opportunity to consult it with their lawyer and they understand its content and legal consequences and they agree with them.**

**Business Angels understand that the role of the Facilitator and the Leading BA is only organisational, providing assistance in the process with use of previous experience and good practice. Each Business Angel is solely responsible for its investment. The Facilitator bears no liability for the success of the investment, as it is based on many factor, which no party can reasonably foresee.**

Place, date: \_\_\_\_\_

Place, date: \_\_\_\_\_

---

<hr/> <p><b>COMPANY</b> AUTHORISED REPRESENTATIVE</p>	<hr/> <p><b>COMPANY</b> AUTHORISED REPRESENTATIVE</p>
Place, date: _____	Place, date: _____
<hr/> <p><b>COMPANY</b> AUTHORISED REPRESENTATIVE</p>	<hr/> <p><b>COMPANY</b> AUTHORISED REPRESENTATIVE</p>

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## Annex 1

### Planned structure of the Investment

- 1.1. The Investment will be provided to the Startup by the Business Angels in the form of a convertible loan and as a contribution outside the registered capital of the Startup in the remaining amount of the Investment.
  - 1.1.1. The Business Angel 1 will provide the amount of [REDACTED], i.e. the convertible loan and contribution outside the registered capital in the amount of [REDACTED].
  - 1.1.2. The Business Angel 2 will provide the amount of [REDACTED], i.e. the convertible loan and contribution outside the registered capital in the amount of [REDACTED].
  - 1.1.3. The Business Angel 3 will provide the amount of [REDACTED], i.e. the convertible loan and contribution outside the registered capital in the amount of [REDACTED].
- 1.2. The Startup is obliged to pay back the provided loan to each Business Angels according to art. 1.1.1, 1.1.2 and 1.1.3 of this Annex 1.
- 1.3. Each Business Angel has a right to convert the provided loan into a share in the Startup until [REDACTED]. If Business angels chooses to convert the provide loan into a share according to the previous sentence, the obligation of the Startup under art. 1.2 of this Annex 1 expires when the Business Angels receive their shares in the Startup as stipulated in art. 1.4 of this Annex 1.
- 1.4. The Business Angels will receive shares in the Startup as follows:
  - 1.4.1. The Business Angel 1 will receive share [REDACTED].
  - 1.4.2. The Business Angel 2 will receive share [REDACTED].
  - 1.4.3. The Business Angel 3 will receive share [REDACTED].
- 1.5. For the purpose of transferring the shares in the Startup to the Business Angels there will be Share Purchase Agreements concluded between Business Angels and Shareholders as follows:
  - 1.5.1. The Shareholder 1 will conclude the Share Purchase Agreement with the Business Angel 1.
  - 1.5.2. The Shareholder 1 will conclude the Share Purchase Agreement with the Business Angel 2.
  - 1.5.3. The Shareholder 2 will conclude the Share Purchase Agreement with the Business Angel 3.

---

## Annex 2

### Financing of the Partnership

- 1.1. The Business Angels are obliged to provide the Partnership financing of its operation, as follows:
  - 1.1.1. The Business Angel 1 shall provide [REDACTED].
  - 1.1.2. The Business Angel 2 shall provide [REDACTED].
  - 1.1.3. The Business Angel 3 shall provide [REDACTED].
- 1.2. Any income from the activities of the Partnership shall be distributed within its members, Business Angels and the Facilitator, as follows:
  - 1.2.1. The Business Angel 1 shall receive [REDACTED].
  - 1.2.2. The Business Angel 2 shall receive [REDACTED].
  - 1.2.3. The Business Angel 3 shall receive [REDACTED].
  - 1.2.4. The Facilitator shall receive [REDACTED].

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### **Annex 3**

#### **Investment Pre-Conditions**

1. Successful due diligence process (no "Red Flag" findings, or such findings are remedied within agreed time)
2. Investment Agreement with the Startup is signed by all parties
3. Public Investment Agreement is signed (or the contribution is guaranteed by other means, according to the particular contribution programme)
4. There are no legal obstacles for the Investment (such as regulatory decision to be made, etc.)

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# ANNEX 3 – INVESTMENT AGREEMENT

**(Facilitator name)**

Registered office:

Company Reg. No.:

Authorised Representative:

Entry No. in Register:

("Facilitator")

and

**(Business angel 1 name)**

Registered office:

Company Reg. No.:

Authorised Representative:

Entry No. in Commercial Register:

("Business Angel 1")

and

**(Business angel 2 name)**

Registered office:

Company Reg. No.:

Authorised Representative:

Entry No. in Commercial Register:

("Business Angel 2")

and

**(Business angel 3 name)**

Registered office:

Company Reg. No.:

Authorised Representative:

---

Entry No. in Commercial Register:  
("Business Angel 3")

(Business Angel 1, Business Angel 2 and Business Angel 3 together as "Business Angels")

and

**(Startup name)**

Registered seat:  
Company Reg. No.:  
Represented by:  
File No. in Commercial Register:  
E-mail address:  
("Startup")

and

**(Shareholder name 1) / NAME**

Registered seat / Address of  
Residency:  
Company Reg. No./ Date of birth:  
Represented by:  
File No. in Commercial Register:  
E-mail address:  
("Shareholder 1")

and

**(Shareholder name 2) / NAME**

Registered seat / Address of  
Residency:  
Company Reg. No./ Date of birth:

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Represented by:

File No. in Commercial Register:

E-mail address:

("Shareholder 2")

(Shareholder 1 and Shareholder 2 together as "Shareholders")

have entered into this Investment Agreement ("Agreement").

## 1. INTRODUCTORY PROVISIONS

- 1.1. The parties, each separately, confirm that they are entitled to enter into this Agreement and perform all their obligation arising from it.
- 1.2. The Facilitator and Business Angels and the \_\_\_\_\_ ("Public Provider") concluded the Investment Memorandum on \_\_\_\_\_ ("Memorandum") which proclaims the interest of Business Angels in providing investment to the Startup ("Investment").
- 1.3. The Facilitator and Business Angels concluded the Partnership Agreement on \_\_\_\_\_ ("Partnership Agreement") in order to create partnership for the purpose of the Investment. The Partnership Agreement sets out main terms of cooperation between the Facilitator and Business Angels within the Investment.
- 1.4. This Agreement sets out main terms and conditions of the Investment.

## 2. SUBJECT MATTER

- 2.2. The Business Angels are obliged to provide the Startup with the Investment under the terms of this Agreement as specified in Annex 1 to this Agreement.
- 2.3. For providing the Startup with the Investment according to the previous point, the Business Angels will receive share in the Startup under the terms of this Agreement as specified in Annex 1 to this Agreement.
- 2.4. If the terms for providing Investment are fulfilled according to this Agreement, Shareholders are obliged to sell and transfer their shares in the Startup to Business Angels by concluding the Share Purchase Agreement as specified in Annex 1 to this Agreement.
- 2.5. The Facilitator ensures organizational support for the purpose of providing the Investment to the Startup.

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### 3. RIGHTS AND OBLIGATIONS OF THE PARTIES

- 3.1. The Facilitator undertakes to ensure mutual communication and co-ordination within the process of providing the Investment.
- 3.2. The Startup and the Shareholders are obliged to follow instructions given by the Facilitator in order to ensure providing the Investment. Such instructions are set out in manual provided by the Facilitator to the Startup ("**Manual**") which is presented in the Annex 2 to this Agreement and may be specified further by the Facilitator.
- 3.3. The Startup is obliged to provide other parties with its co-operation on all steps and activities in order to successfully provide the Investment to the Startup, e.g. co-operation on performed due diligence of the Startup (providing all documents required for the due diligence), etc.
- 3.4. The Investment will be provided, if the performed due diligence of the Startup is successful or in case the problems arising from the performed due diligence are remedied or waived by the Business Angels.
- 3.5. In case of the successful Investment, i.e. the Investment is provided to the Startup and Business Angels receive their shares in the Startup according to this Agreement, the parties are obliged to conclude Shareholders' Agreement which obligatory provisions are specified in Annex 2 to this Agreement.
- 3.6. Each party shall bear its own costs arising from the Investment, unless agreed otherwise.
- 3.7. In case of the successful Investment, i.e. the Investment is provided to the Startup and Business Angels receive their shares in the Startup according to this Agreement, Business Angels are entitled to receive a reimbursement of their costs arising from the Investment, mainly due diligence costs, from the Startup.
- 3.8. Each party, breaching this Agreement, shall compensate the damage caused to the other parties, excl. lost profit.

### 4. CONFIDENTIAL INFORMATION

- 4.1. Within the framework of the Investment one party may provide or otherwise disclose in oral or written form ("**Disclosing Party**") confidential information to other parties ("**Receiving Party**").
- 4.2. For the purposes of this Agreement the confidential information of the Disclosing Party is information about terms and conditions of the Investment, the Disclosing Party's trade secrets and intellectual property rights, particularly copyright, industrial property rights, know-how and all objects protected by such rights, information on business strategy, pricing policy, customers, employees and business partners of the Disclosing Party, personal data and security measures adopted for their protection by the Disclosing Party, irrespective of their form and manner of their disclosure to the Receiving Party. For the avoidance of doubt, all information designated by the Disclosing Party to be confidential is deemed to be confidential information hereunder

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("Confidential information"). Any copies of data or information mentioned in previous sentence as well as any notes and extracts made from these data are considered to be the Confidential information hereunder.

- 4.3. For the purposes of this Agreement information that has been already known in respective business circles, or information provably commonly and freely accessible in other way than by breach of the obligations of the Receiving Party (or a third party, who received such information from the Receiving Party) hereunder, and information acquired by the Receiving Party before it was disclosed by the Disclosing Party, is not considered to be Confidential information of the Disclosing Party.
- 4.4. The Receiving Party undertakes to keep Confidential information of the Disclosing Party confidential and to protect it at least in the same extent as its own Confidential information, in particular not to disclose it to a third party without previous permission of the Disclosing Party and not to use it in any other way than for the purpose for which it was provided, for the term of this Agreement and **three (3)** years after the termination hereof.
- 4.5. Disclosure of the Confidential information to employees and other persons participating on the Investment on the side of the Receiving Party, to legal or other professional advisors, whose confidentiality obligation follows from laws or is secured contractually, and disclosure of the Confidential information in order to comply with legal obligation to which the Receiving Party is subject, including an obligation to disclose them to public authorities within the scope of their supervisory and other powers, or for the protection of rights of the Receiving Party against the Disclosing Party, is not deemed to be a breach of confidentiality obligation under this Agreement.
- 4.6. In case of breach of the confidentiality obligation by the Receiving Party hereunder the Disclosing Party shall be entitled to the contractual penalty in the amount of **\_\_\_\_\_** for each individual breach. The contractual penalty is due within **ten (10)** days as of the delivery of the notice of the Disclosing Party for its payment. The right to claim a contractual penalty hereunder is without prejudice to compensation for damage resulting from the breach of the confidentiality obligation by the Receiving Party.
- 4.7. After the termination of this Agreement, the Disclosing Party is entitled to demand the Receiving Party to return and/or delete Confidential information of the Disclosing Party, including all copies, notes or other derivatives, within **five (5)** days as of the delivery of such demand to the Receiving Party. Without such demand, the Receiving Party shall return Confidential information to the Disclosing Party, and in case it is not possible to return them due to their nature, to delete them within **ten (10)** days since termination of this Agreement. The Disclosing Party is entitled to request a written confirmation of return and/or deletion of the Confidential information from the Receiving Party in its demand, to be delivered within **five (5)** days as of the return and/or deletion of the Confidential information.

## 5. TERMINATION OF THE AGREEMENT

- 
- 5.1. Each party is entitled to withdraw from this Agreement if the Startup is unable to conclude an agreement (or is not by other means guaranteed) on provision of the public provider's contribution, as specified in Annex 4 to this Agreement.
  - 5.2. Each party is entitled to withdraw from this Agreement if the problems arising from performed due diligence according to art. 3.4 of this Agreement are not remedied or waived (or solved by other form agreed by the parties) within **thirty (30)** days as of the occurrence of the problem by the parties.

## **6. FINAL PROVISIONS**

- 6.1. This Agreement shall become effective as of the day of its signature by all parties.
  - 6.2. In case of any discrepancies between this Agreement, the Memorandum and the Partnership Agreement, this Agreement shall prevail over the Memorandum and the Partnership Agreement.
  - 6.3. If any provision hereof proves to be or becomes invalid or unenforceable, such circumstance shall have no effect on the other provisions hereof, unless implied otherwise by the mandatory provisions of law. The parties hereby undertake to replace such provision with a valid and enforceable provision that comes as close as possible to the intended business purpose of such invalid or unenforceable provision and to do so within thirty (30) days as of the date either party has been so requested by other parties.
  - 6.4. Each party undertakes within undue delay, but no later than within two (2) days from the change of its contact details (particularly an address or an e-mail address), to inform other parties of such change in writing or via e-mail. In case any of parties breach this obligation, any notification delivered to the lastly confirmed address shall be deemed as delivered by third (3.) day from its placement with the post office (written notification) or by third (3.) day from its dispatch (e-mail notification).
  - 6.5. Unless this Agreement explicitly states for a specific case otherwise, it may only be amended by written amendment entered into by all parties.
  - 6.6. Following annexes shall be an integral part of this Agreement:
    - 6.6.1. Annex 1 - Terms and conditions of the Investment;
    - 6.6.2. Annex 2 – Manual of instructions for the Startup within the Investment
    - 6.6.3. Annex 3 – Obligatory provisions of the Shareholders' Agreement**
    - 6.6.4. Annex 4 – Public Provider's contribution**
  - 6.7. The parties hereby agree that the legal relationship created hereunder shall be **governed by the (territorial) law without its rules of conflict of laws.**
  - 6.8. This Agreement shall be made in **six (6)** counterparts. Each party receives one (1) counterpart.
-

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In witness thereof, the parties declare that this Agreement resulted from their mutual negotiations, they have read this Agreement duly, they had an opportunity to consult it with their lawyer and they understand its content and legal consequences and they agree with them.

Place, date \_\_\_\_\_

Place, date \_\_\_\_\_

---

**COMPANY**  
AUTHORISED REPRESENTATIVE

---

**COMPANY**  
AUTHORISED REPRESENTATIVE

Place, date \_\_\_\_\_

Place, date \_\_\_\_\_

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**COMPANY**  
AUTHORISED REPRESENTATIVE

---

**COMPANY**  
AUTHORISED REPRESENTATIVE

---

Place, date \_\_\_\_\_

Place, date \_\_\_\_\_

---

**COMPANY**

**AUTHORISED REPRESENTATIVE**

---

**COMPANY**

**AUTHORISED REPRESENTATIVE**

---

## Annex 1

### Terms and conditions of the Investment

- 1.1. The Investment will be provided to the Startup by the Business Angels in the form of a convertible loan and as a contribution outside the registered capital of the Startup in the remaining amount of the Investment.
    - 1.1.1. The Business Angel 1 will provide the amount of [REDACTED], i.e. the convertible loan and contribution outside the registered capital in the amount of [REDACTED].
    - 1.1.2. The Business Angel 2 will provide the amount of [REDACTED], i.e. the convertible loan and contribution outside the registered capital in the amount of [REDACTED].
    - 1.1.3. The Business Angel 3 will provide the amount of [REDACTED], i.e. the convertible loan and contribution outside the registered capital in the amount of [REDACTED].
  - 1.2. The Startup is obliged to pay back the provided loan to each Business Angels according to art. 1.1.1, 1.1.2 and 1.1.3 of this Annex 1.
  - 1.3. Each Business Angel has a right to convert the provided loan into a share in the Startup until [REDACTED]. If Business angels chooses to convert the provide loan into a share according to the previous sentence, the obligation of the Startup under art. 1.2 of this Annex 1 expires when the Business Angels receive their shares in the Startup as stipulated in art. 1.4 of this Annex 1.
  - 1.4. The Business Angels will receive shares in the Startup as follows:
    - 1.4.1. The Business Angel 1 will receive share [REDACTED].
    - 1.4.2. The Business Angel 2 will receive share [REDACTED].
    - 1.4.3. The Business Angel 3 will receive share [REDACTED].
  - 1.5. For the purpose of transferring the shares in the Startup to the Business Angels there will be Share Purchase Agreements concluded between Business Angels and Shareholders as follows:
    - 1.5.1. The Shareholder 1 will conclude the Share Purchase Agreement with the Business Angel 1.
    - 1.5.2. The Shareholder 1 will conclude the Share Purchase Agreement with the Business Angel 2.
    - 1.5.3. The Shareholder 2 will conclude the Share Purchase Agreement with the Business Angel 3.
-

---

## Annex 2

### Manual of instructions for the Startup within the Investment

- 1.1. The Startup is obliged to follow instructions given by the Facilitator for the purpose of successfully providing the Investment to the Startup, i.e.:
  - 1.1.1.           ,
  - 1.1.2.           ,
  - 1.1.3.           .

---

### **Annex 3**

#### **Obligatory provisions of the Shareholders' Agreement**

- 1.1. Business Angels that will receive shares in the Startup and Shareholders of the Startup are obliged to conclude Shareholders' Agreements which will contain following provisions:
  - 1.1.1. Pre-emptive right and other conditions for transfer of shares,
  - 1.1.2. Tag along right,
  - 1.1.3. Drag along right,
  - 1.1.4. Lock-up for the founders,
  - 1.1.5. Liquidation preference,
  - 1.1.6. Non-compete clause,
  - 1.1.7. Confidentiality.

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# ANNEX 4 – SHARE PURCHASE AGREEMENT

**(Seller name) / NAME**

Registered seat / Address of

Residency:

Company Reg. No./ Date of birth:

Represented by:

File No. in Commercial Register:

E-mail address:

**(“Seller”)**

and

**(Purchaser name) / NAME**

Registered seat / Address of

Residency:

Company Reg. No./ Date of birth:

Represented by:

File No. in Commercial Register:

E-mail address:

**(“Purchaser”)**

have entered into this Share Purchase Agreement (**“Agreement”**).

## 1. INTRODUCTORY PROVISIONS

- 1.1. The company [redacted] with its registered seat at [redacted], reg. no.: [redacted], is a company properly registered and operating under the law of (territory), file No. in Commercial Register [redacted] maintained by the court in [redacted] (**“Startup”**).

- 
- 1.2. The Seller hereby proclaims that (s) he / it is capable and entitled to enter into this Agreement and to duly fulfil all obligations arising hereof.
  - 1.3. The Purchaser hereby proclaims that (s) he/ it is capable and entitled to enter into this Agreement and to duly fulfil all obligations arising hereof.
  - 1.4. The Seller and the Purchaser and the Startup concluded Investment Agreement on [REDACTED] which sets out main terms and conditions of providing the Startup with investment from the Purchaser ("**Investment**").

## **2. SUBJECT MATTER**

- 2.1. The Seller undertakes to sell and transfer his share in the Startup in the amount of [REDACTED], which represents the contribution into the registered capital of the Startup in amount of [REDACTED] (*the amount of money in words*) with all related rights and obligations ("**Share**") under the conditions set in this Agreement.
- 2.2. The Purchaser undertakes to accept the Share and pay the purchase price to the Seller under the conditions set in this Agreement.
- 2.3. The Purchaser hereby agrees to be recorded as a shareholder of the Startup into the Commercial Register.

## **3. PURCHASE PRICE AND PAYMENT CONDITIONS**

- 3.1. The Purchaser undertakes to pay the Seller for the transfer of the Share amount of [REDACTED] (*the amount of money in words*; "**Purchase Price**").
- 3.2. The Seller hereby proclaims that the Purchase Price was paid to him by the Purchaser upon the Investment Agreement as a part of the Investment provided by the Purchaser to the Startup in all its amount.

## **4. REPRESENTATIONS AND WARRANTIES**

- 4.1. The Seller hereby provides the Purchaser with representation and warranties, as specified in Annex 1 to this Agreement ("**Warranties**").
- 4.2. Should any of the Warranties prove untruthful, the Seller undertakes to compensate to the Purchaser all damages arising from such untruthful warranty or representation. The damages shall be calculated as the difference between the real value of the Startup and the value the Startup would have, if such warranty or representation was truthful.
- 4.3. The total amount of damages, to which the Purchaser may acquire claim from the untruthful Warranties, shall not exceed the amount of Investment, provided by such Purchaser.

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## 5. FINAL PROVISIONS

- 5.1. This Agreement shall become effective as of the day of its signature by both contracting parties.
- 5.2. Each party, breaching this Agreement, shall compensate the damage caused to the other parties, excl. lost profit.
- 5.3. The Seller is entitled to withdraw from this Agreement if the Purchaser does not provide the contribution outside the registered capital of the Startup to the Startup according to the Investment Agreement even though the Purchaser was provided with all necessary cooperation from the Seller and the Startup, and the Purchaser does not remedy this within **ten (10)** days as of the date the Purchaser has been so requested in writing by the Seller.
- 5.4. If any provision hereof proves to be or becomes invalid or unenforceable, such circumstance shall have no effect on the other provisions hereof, unless implied otherwise by the mandatory provisions of law. The contracting parties hereby undertake to replace such provision with a valid and enforceable provision that comes as close as possible to the intended business purpose of such invalid or unenforceable provision and to do so within thirty (30) days as of the date either contracting party has been so requested by the other contracting party.
- 5.5. Unless this Agreement explicitly states for a specific case otherwise, it may only be amended by written amendment entered into by both contracting parties.
- 5.6. The following annexes shall represent an integral part of this Agreement:
  - 5.6.1. Annex 1: Representations and Warranties
- 5.7. The contracting parties hereby agree that the legal relationship created hereunder shall be **governed by the (territory) law without its rules of conflict of laws.**
- 5.8. This Agreement shall be made in four (4) counterparts. Each contracting party receives one (1) counterpart, one (1) will be handed over to the Startup and one (1) will be handed over to the Commercial Register.

**In witness thereof, the contracting parties declare that this Agreement resulted from their mutual negotiations, they have read this Agreement duly, they had an opportunity to consult it with their lawyer and they understand its content and legal consequences and they agree with them.**

Place, date \_\_\_\_\_

Place, date \_\_\_\_\_

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<hr/> <p><b>COMPANY</b> <b>AUTHORISED REPRESENTATIVE</b> <i>(authenticated signature)</i></p>		<hr/> <p><b>COMPANY</b> <b>AUTHORISED REPRESENTATIVE</b> <i>(authenticated signature)</i></p>
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The company hereby proclaims the delivery of this Agreement to the company with its registered seat at \_\_\_\_\_, reg. no.: \_\_\_\_\_, registered in the Commercial register under file No. \_\_\_\_\_ maintained by the court in \_\_\_\_\_.

Place, date \_\_\_\_\_

\_\_\_\_\_  
**COMPANY**  
**AUTHORISED REPRESENTATIVE**

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## **Annex 1**

### **Representations and Warranties**

Unless otherwise stated in any particular case in a disclosure letter, provided by the Seller to the Purchaser not later than 5 days prior to conclusion of this Agreement, the Seller represents and warrants as follows:

#### **1. Capacity and Authority, Validity, Solvency**

- 1.1 The Seller is the sole legal and beneficial owner of, and has the right to exercise all voting rights over the Share. Such Share has been properly and validly issued and allotted to it and is fully paid.
- 1.2 There is no nomination, agreement, option, right of pre-emption, right or obligation to acquire, redeem or convert or other legal encumbrance on, over or affecting any of the Share. No Seller has agreed to give or create any of the foregoing and no person has claimed to be entitled to any of the foregoing in relation to the Share.
- 1.3 The Seller has full legal right and full power and authority to execute, deliver and perform this Agreement and the transactions contemplated herein and sell the full legal and beneficial title to the Share and this Agreement and the documents to be entered into pursuant to it will constitute, when executed, valid and binding obligations on the Seller in accordance with their terms.
- 1.4 The Seller is not insolvent under the laws of the jurisdiction of its incorporation or unable to pay its debts as they fall due. No administrator, receiver or administrative receiver has been appointed in respect of the Seller or any of its assets and no application for the same has been made or threatened and this Agreement is not liable to be avoided, declared non-existent, ineffective or otherwise set aside, in particular on the Seller's insolvency, bankruptcy or otherwise.
- 1.5 There are no proceedings in relation to any compromise or arrangement with creditors or any winding up, bankruptcy or other insolvency proceedings concerning the Seller and no events have occurred which, under applicable law, would justify such proceedings and none of the creditors of the Seller has taken, or is entitled to take any steps to enforce, or has enforced any security over any its assets. No distress, execution or other process has been levied on the Seller's assets.

#### **2. The Share**

- 2.1 The Startup has not allotted or issued any securities that are convertible into shares of the Startup.
- 2.2 Apart from this Agreement, there is no agreement, option, right of pre-emption arrangement or commitment outstanding which calls for the allotment or issue or accords to any person the right to call for the allotment, issue or other legal encumbrance of any share or loan capital of the Startup, and no person has claimed to be entitled to any of the foregoing. There are no silent partners in the Startup.
- 2.3 No shares of the Startup have been issued and no transfer of shares in the Startup has been registered, except in accordance with applicable law and the then applicable articles of association or other constitutional documents of the Startup.

---

### **3. The Startup, Subsidiary Undertakings and Related Operations**

- 3.1 The Startup is duly incorporated, organised and validly existing under the laws of (territory).
- 3.2 The Startup does not have any subsidiary undertakings or any interest in any body corporate or unincorporated association.
- 3.3 The Startup does not reside, operate or have any branch, agency, place of business or establishment outside its place of incorporation.
- 3.4 The Startup has not at any time issued any loan capital, reduced its share capital, redeemed any share capital, purchased any of its shares or forfeited any of its shares (or taken a surrender in lieu of any forfeiture).
- 3.5 The Startup has not granted any power of attorney or other authority to any person (other than its directors) to bind the Startup which is still outstanding.

### **4. Insolvency**

- 4.1 No order has been made, no resolution has been passed, no petition has been presented and no meeting has been convened for the winding up of the Startup or for a provisional liquidator to be appointed in respect of the Startup and the Startup has not been a party to any transaction which could be avoided in a winding up.
- 4.2 There are no proceedings in relation to any compromise or arrangement with creditors or any winding up, bankruptcy or other insolvency proceedings concerning the Startup and no events have occurred which, under applicable laws, would justify such proceedings.
- 4.3 No unsatisfied court order or judgment is outstanding against the Startup.

### **5. Statutory Books and Filings**

- 5.1 The register of members, in respect of the Startup the register of people with significant control, and all other statutory books and registers of the Startup:
- (a) have been properly kept in accordance with all applicable laws;
  - (b) are correctly written up to date; and
  - (c) contain a true, complete and accurate record of all matters and information which should be contained in them.

No notice or allegation has been received that any such registers or books are incorrect or should be rectified.

- 5.2 All documents which should have been delivered by the Startup to the Commercial Register in (territory) or any relevant authority charged with maintaining a companies registry under applicable law are complete and accurate and have been properly so delivered in accordance with any time-scale provided for such delivery. The Commercial Register extracts of the Startup are up to date in all respects.

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## **6. Events since the Accounts Date**

Since the Accounts Date:

- 6.1 the business of the Startup has been carried on in the ordinary course and so as to maintain the same as a going concern;
- 6.2 the Startup has not acquired or disposed of or agreed to acquire or dispose of any business or any material asset (other than trading stock in the ordinary course of the business carried on by it) or assumed or acquired any material liability (including a material contingent liability);
- 6.3 there has not been any material deterioration in the financial position of the Startup (whether in consequence of normal trading or otherwise) and there are no material matters which have significantly affected the financial position of the Startup;
- 6.4 there have been no debts of the Startup known to be bad or doubtful;
- 6.5 the Startup has not been adversely affected to a material extent by the loss of any important customer, or of any source of supply or by the cancellation or loss of any order or contract or by any other abnormal factor or event nor are there any circumstances that could reasonably be expected to lead thereto;
- 6.6 there are no liabilities (including contingent liabilities) outstanding on the part of the Startup other than those liabilities disclosed in the Accounts or incurred in the ordinary and proper course of business since the Accounts Date which are similarly disclosed in the Management Accounts or in the books and records of the Startup.

## **7. Assets**

### **7.1. The Property (Assets)**

- (a) The Startup is the legal and beneficial owner, or sole lessee or licensee (as applicable) of all the property declared in its books as well as of all assets necessary for its long-term operation.
- (b) The property (assets) are not subject to any legal encumbrance and the Startup is in possession and actual occupation of each of the property (assets) on an exclusive basis, and no right of occupation or enjoyment has been acquired or is in the course of being acquired by any third party, and the Startup has not granted, or agreed to grant, any right of occupation or enjoyment in respect of the Property to any third party.
- (c) The Startup does not, by the use of the property, contravene any requirement or restriction having the force of law.
- (d) No notices, orders, proposals, applications, requests or schedules of dilapidations affecting or relating to any of the Property have been served on the Startup and, so far as the Sellers are aware, there are no circumstances which are likely to give to such documents being served or made.

### **7.2 Ownership of Assets**

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All assets included in the Accounts or acquired by the Startup or which have otherwise arisen since the Accounts Date, other than any assets disposed of or realised in the ordinary and usual course of business:

- (a) are legally or beneficially owned by the Startup or validly used by it under contracts, licenses or other similar arrangements and the Startup has the right to use those assets;
- (b) are free from Encumbrances;
- (c) are, where capable of possession, in the possession or under the control of the Startup; and
- (d) are (where relevant) in good condition and fit for purpose.

### 7.3 **Sufficiency of Assets**

The property, rights and assets owned, leased or otherwise used by, the Startup comprise all the property, rights and assets necessary for the carrying on of the business of the Startup substantially in the manner in which, and to the extent to that, it is presently conducted.

## 8. **Commercial Agreements and Arrangements**

### 8.1 **Customer and Supplier Contracts**

- (a) Copies of all subsisting agreements or arrangements with customers and suppliers have been provided for the purpose of the due diligence.
- (b) No substantial customer or supplier has during the twelve (12) months immediately preceding the date of this Agreement ceased, reduced or indicated an intention to cease or reduce, or adversely changed the terms of or indicated an intention to adversely change the terms of, its trading or supply with the Startup.
- (c) There have been no material written complaints within the last two years made by any party to any contract or arrangement with the Startup.

### 8.2 **Compliance with Agreements**

- (a) All the contracts material to the business of the Startup to which the Startup is a party are valid and binding obligations of the parties to those contracts.
- (b) No notice of termination or of intention to terminate has been received in respect of any such material effective contract.
- (c) The Startup is not in material breach of any contract or other arrangement to which it is a party and, so far as the Seller is aware, no other party to any contract or other arrangement with the Startup is in material breach of any such contract or arrangement.

## 9. **Employees and Employee benefits**

- (a) All employees of the Startup (or other co-operating natural persons) have legitimate, valid legal relationship to the Startup.

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## **10. Compliance and Litigation**

- 10.1 The Startup has conducted its business in all respects in accordance with all applicable laws and regulations and there is no order, decree or judgment of any court or governmental agency outstanding against the Startup.
- 10.2 All necessary licences, registrations, consents, permits and authorisations (public and private) have been obtained by the Startup to enable it to carry on its business in the places and manner in which such business is now carried out and all such licenses, registrations, consents and authorisations are valid and subsisting and, so far as the Seller is aware, there are no circumstances likely to lead to any of them being suspended, cancelled or revoked.

## **11. Taxation**

- 11.1 All notices, returns (including any returns relating to land), reports, accounts, computations, statements, assessments, claims, disclaimers, elections and registrations and any other necessary information that have, or should have, been submitted by the Startup to any taxation authority for the purposes of tax have been made on a proper basis, were submitted within applicable time limits and were accurate and complete in all material respects. None of the above is, or is likely to be, the subject of any material dispute with any taxation authority.

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# *ANNEX 5 – NON-DISCLOSURE AGREEMENT (NDA)*

**(Facilitator name)**

Registered seat:

Company Reg. No.:

Represented by:

File No. in Register:

E-mail address:

**("Facilitator")**

and

**(Business angel 1 name)**

Registered seat:

Company Reg. No.:

Represented by:

File No. in Register:

E-mail address:

**("Business Angel 1")**

and

**(Business angel 2 name)**

Registered seat:

Company Reg. No.:

Represented by:

File No. in Register:

E-mail address:

**("Business Angel 2")**

and

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**(Business angel 3 name)**

Registered seat:

Company Reg. No.:

Represented by:

File No. in Register:

E-mail address:

("Business Angel 3")

("Business Angel 1, Business Angel 2 and Business Angel 3 together as "**Business Angels**")

and

**(Startup name)**

Registered seat:

Company Reg. No.:

Represented by:

File No. in Commercial Register:

E-mail address:

("Startup")

have entered into this Non-disclosure Agreement ("**Agreement**").

## **1. SUBJECT MATTER OF THE AGREEMENT**

- 1.1. The parties hereby confirm that they entered into a business co-operation in connection with providing investment into the Startup and performing due diligence of the Startup ("**Purpose**"). Within the framework of the Purpose one party may provide or otherwise disclose ("**Disclosing Party**") confidential information to the other party ("**Receiving Party**"). In order to set conditions for protection of such information the parties conclude this Agreement.
- 1.2. For the purposes of this Agreement the confidential information of the Disclosing Party is information about terms and conditions of the Investment, the Disclosing Party's trade secrets and intellectual property rights, particularly copyright, industrial property rights, know-how and all objects protected by such rights, information on business strategy, pricing policy, customers, employees and business partners of the Disclosing Party, personal data and security measures adopted for their protection by the Disclosing Party, irrespective of their form and manner of their disclosure to the Receiving Party. For the avoidance of doubt, all information designated by the

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Disclosing Party to be confidential is deemed to be confidential information hereunder ("**Confidential information**"). Any copies of data or information mentioned in previous sentence as well as any notes and extracts made from these data are considered to be the Confidential information hereunder.

- 1.3. For the purposes of this Agreement information that has been already known in respective business circles, or information provably commonly and freely accessible in other way than by breach of the obligations of the Receiving Party (or a third party, who received such information from the Receiving Party) hereunder, and information acquired by the Receiving Party before it was disclosed by the Disclosing Party, is not considered to be Confidential information of the Disclosing Party.
- 1.4. The Receiving Party undertakes to keep Confidential information of the Disclosing Party confidential and to protect it at least in the same extent as its own Confidential information, in particular not to disclose it to a third party without previous permission of the Disclosing Party and not to use it in any other way than for the purpose for which it was provided, for the term of this Agreement and **three (3)** years after the termination hereof.
- 1.5. Disclosure of the Confidential information to employees and other persons participating on the Investment on the side of the Receiving Party, to legal or other professional advisors, whose confidentiality obligation follows from laws or is secured contractually, and disclosure of the Confidential information in order to comply with legal obligation to which the Receiving Party is subject, including an obligation to disclose them to public authorities within the scope of their supervisory and other powers, or for the protection of rights of the Receiving Party against the Disclosing Party, is not deemed to be a breach of confidentiality obligation under this Agreement.
- 1.6. In case of breach of the confidentiality obligation by the Receiving Party hereunder the Disclosing Party shall be entitled to the contractual penalty in the amount of **[REDACTED]** for each individual breach. The contractual penalty is due within **ten (10)** days as of the delivery of the notice of the Disclosing Party for its payment. The right to claim a contractual penalty hereunder is without prejudice to compensation for damage resulting from the breach of the confidentiality obligation by the Receiving Party.
- 1.7. After the termination of this Agreement, the Disclosing Party is entitled to demand the Receiving Party to return and/or delete Confidential information of the Disclosing Party, including all copies, notes or other derivatives, within **five (5)** days as of the delivery of such demand to the Receiving Party. Without such demand, the Receiving Party shall return Confidential information to the Disclosing Party, and in case it is not possible to return them due to their nature, to delete them within **ten (10)** days since termination of this Agreement. The Disclosing Party is entitled to request a written confirmation of return and/or deletion of the Confidential information from the Receiving Party in its demand, to be delivered within **five (5)** days as of the return and/or deletion of the Confidential information.

## **2. FINAL PROVISIONS**

- 2.1. This Agreement shall become effective as of the day of its signature by all parties.

- 
- 2.2. This Agreement is concluded for the period of **twenty-four (24)** months. Lapse of the period pursuant to the previous sentence does not affect protection of any information in compliance with the respective laws (e.g. as a copyright work, trade secret, etc. as the case may be).
  - 2.3. If any provision hereof proves to be or becomes invalid or unenforceable, such circumstance shall have no effect on the other provisions hereof, unless implied otherwise by the mandatory provisions of law. The parties hereby undertake to replace such provision with a valid and enforceable provision that comes as close as possible to the intended business purpose of such invalid or unenforceable provision and to do so within thirty (30) days as of the date either party has been so requested by other parties.
  - 2.4. Unless agreed otherwise in this Agreement, it can be amended only by written amendment concluded by all parties.
  - 2.5. The parties hereby agree that the legal relationship created hereunder shall be governed by the Czech law without its rules of conflict of laws.
  - 2.6. This Agreement shall be made in four (4) counterparts. Each party receives one (1) counterpart.

**In witness thereof, the parties declare that this Agreement resulted from their mutual negotiations, they have read this Agreement duly, they had an opportunity to consult it with their lawyer and they understand its content and legal consequences and they agree with them.**

Place, date \_\_\_\_\_

Place, date \_\_\_\_\_

\_\_\_\_\_  
**COMPANY**

**AUTHORISED REPRESENTATIVE**

\_\_\_\_\_  
**COMPANY**

**AUTHORISED REPRESENTATIVE**

---

Place, date \_\_\_\_\_

Place, date \_\_\_\_\_

---

**COMPANY**

AUTHORISED REPRESENTATIVE

---

**COMPANY**

AUTHORISED REPRESENTATIVE

Place, date \_\_\_\_\_

---

**COMPANY**

AUTHORISED REPRESENTATIVE

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# *ANNEX 6 – STARTUP APPLICATION*

## *(SEGMENTS OF THE SINGLE ENTRY POINT)*

This list will be still shortlisted in parallel to finalization of application procedures.

### **1 INITIAL APPLICATION DATA**

Name + Surname  
Email  
Startup name  
Country of legislation  
Industry  
Pitchdeck

### **2 FURTHER GENERAL DATA**

Company Purpose (What does your company do in one sentence?)  
FB Page  
LinkedIn Profile  
Twitter Profile  
Instagram Page  
Other Social Media Link  
Web Page

### **3 ELIGIBILITY QUESTIONNAIRE**

Restricted sectors (YES/NO)  
Staff count, including contractors  
Annual Turnover  
Total Assets  
Number of developers in your team  
Developers needed  
Grants (Have you received any grants from an EU sponsored institution?)

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Grants description

### **3 STARTUP**

Problem (What is the pain point that you are solving? For whom/which target segment?)

Solution (What is your USP?)

Intellectual Property (Do you have any intellectual property protection for your solution. If yes, please describe.)

Minimum Viable Product (Do you have a MVP? If yes, how many users does it have?)

Market (What is the size and growth rate of the market that you are entering?)

Competition (Do you have any competition on the market?)

Business Model

Development Stage (In what stage of development is your product?)

Metrics (Your traction to date and what kind of growth are you recording in the last 3 months?)

Road Map (Year-end revenue and cash? Major milestones in the next 6 months?)

Development Plan (Plan for development of your product/service in the long term – 3 to 5 years?)

Go-To-Market Strategy

Vision

Short Term Focus

Help needed?

### **4 TEAM**

Team Members (Please provide us with the short description for each founder, their responsibilities in the startup, years of experience, credentials and their LinkedIn profiles. Which founders/team members are fully committed and work only for this startup?)

### **5 INVESTMENT**

Raising (Size of investment in EUR that you are looking for.)

Valuation (At what valuation?)

Co-investors (Do you have any potential co-investors?)

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# ANNEX 7 – TERM SHEET OFFER

## CE-Connector ACIF TERM SHEET OFFER

[...] (“Company”)

This Term Sheet outlines the terms under which the Company grants \_\_\_\_\_, to the Project Partner who acts as the Facilitator (Facilitator and together with the Company, the “Parties”) the exclusive right for \_\_ months to connect and facilitate conversations of a round of financing for the Company on the terms set out below. This Term Sheet is made as an offer to the Company and is valid for two weeks from the Term Sheet Date.

The Parties commit to work in good faith to conclude a transaction under the terms below, but such commitment will expire after three months, or earlier, by mutual consent. The Parties agree to keep this Term Sheet and the process of concluding a transaction confidential.

Term Sheet Date      \_\_/\_\_/2020

Company                      [\_\_\_\_\_]

Facilitator                    [\_\_\_\_\_]

Amount of round            Amount in EUR

Private investors,  
investment in EUR            Names of BAs and amount in EUR

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Public investor(s), in kind and/or financial contribution in EUR	Name(s) and contribution
Valuation	Fixed or range
Instrument	Equity or convertible note (conversion options/range)
Transaction terms	<ul style="list-style-type: none"><li>• Conversion options</li><li>• Rights to representation</li></ul>
Requirements	<ul style="list-style-type: none"><li>• Company meets CE-Connector eligibility requirements</li><li>• Company will adhere to mutually agreed reporting requirements</li><li>• Company will comply with publicity requirements of CE-Connector project</li></ul>
Process	Due diligence and completion of investment eligibility criteria (on the transregional and territorial level) prior to transaction, completion of Investment Agreement, Public Investment Agreement and Share Purchase Agreement.

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Timetable

- Due diligence to conclude in 5 weeks after receiving all the documents needed from the Company
- Confirmation of interest in the investment by a group of Business Angels if a match has been found
- Proposal for public (in-kind and/or financial) contribution available for the Company
- Conclusion of the definitive agreements between the participating parties and closing

Offer made on behalf of \_\_\_\_\_(Facilitator) by:

\_\_\_\_\_

Name:

Title:

Accepted on behalf of the Company:

\_\_\_\_\_

Name:

Position:

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# *ANNEX 8 – APPLICATION FORM FOR BUSINESS ANGELS*

This list will be still shortlisted in parallel to finalization of application procedures.

## **1 INITIAL APPLICATION DATA**

Name + Surname

Email

Phone number

Country / I am a partner of ...

## **2 FURTHER DATA**

LinkedIn Profile

Industry background, connections and competences to offer for helping startups

Investment experience (years) and realized past investments

Target industry sector

The size of investment you are willing to co-invest

Number of Startups in portfolio you are willing to co-invest

Membership in the Business Angel Association (YES/NO. If yes, please specify.)

Recommendations from existing members or founding partners of Ce-Connector (not needed in case of membership in the Business Angel Association)

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# *ANNEX 9 - PROCESS OF AWARENESS- RAISING AND SELECTING BUSINESS ANGELS*

## **Key definitions**

**Business Angel:** an independent individual who provides capital for the development of a startup.

**Angel Investment Market:** the platform and process that provides the opportunity for matchmaking of Business Angels and Startups.

## **Onboarding of Business Angels**

CE-Connector welcomes and accepts individuals to become a member of the CE-Connector Angel Investment Market. Angels become members as individuals but they can establish Angel Syndicates with other angel members.

## **Identification of potential new Business Angels**

CE-Connector develops the number of Angel Investment Market members by accepting applications of individuals. In order to receive applications CE-Connector promotes the concept and values that CE-Connector delivers and maintains an onboarding process so that the members would have the basic knowledge how CE-Connector operates and the set of skills which are helpful when investing.

## **Our values to Business Angels**

CE-Connector has to be presented as a highly trusted network of Business Angels that brings values beyond accessing innovations to invest in: "We help you to be comfortable if you start angel investing."

## **Process of awareness raising**

The steps in the process are identified and graphically displayed in the ACIF Operational Manual. The measure of this process is the number of the Business Angel applications received.

- **Dissemination**

- 
- Goal is to receive interests from potential Business Angels.
  - The following content is spread and applications are collected:
    - ✓ CE-Connector accumulates, develops, classifies, and present investment opportunities for Business Angels;
    - ✓ Trusted network (club) of Business Angels;
    - ✓ Business model of CE-connector;
    - ✓ Eligibility conditions and required content of the application form;
    - ✓ 2 recommendations from existing members required.
  - Way of dissemination
    - ✓ CE-Connector open events (min. 1 per country annually): 1 event annually where the ecosystem meets. (To be organised in an unusual extraordinary place like a golf club, etc.) .
    - ✓ Recommendations of members: Leveraging personal network when each member asked to introduce 1 person from his/her network who is interested.
    - ✓ Media: messages disseminated through selected communication channels (social media, web, etc.). It may include event invitations, best practices, brand building and even create the opportunity for our members to present their motivation on our communication channels.
    - ✓ Online education courses: Intro session for free which describes the basics of being a Business Angel and the way how to become a member of CE-Connector Angel Investment Market.
  - Content of dissemination
    - Every dissemination activity contains the followings or refers to the online education or website for more details:
      - The value we deliver.
      - The opportunity
        - for self-realization,
        - to invest and co-invest,
        - to evaluate businesses,
        - to learn about trends.
      - The role of the Business Angels from the perspective of
        - the community/ecosystem.
        - the Startups.
        - the Angels.
      - We educate Business Angels.
      - The position of angel investments in private wealth management.
      - The way we manage trusted relationships.
      - Introduction of the operation of CE-Connector Angel Investment Market membership conditions.
      - How to become the part of an angel syndicate.
-

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## Confirmation process of becoming CE-Connector Business Angel

The measure of this process is:

- The number of Business Angels applications confirmed.
- Ratio of applications confirmed / total applications.

The process is designed as simply as it can be while assisting the match-making of Business Angels and Startups by classification of the Angel's interests and competences.

- Application process:
  - Applications can be submitted by filling in the Application Form on the website.
  - CE-Connector accepts individual applications.
    - ✓ In case an existing Angel Syndicate would apply, the members have to apply individually.
- Application form - receiving applications
  - Content:
    - ✓ title, name, phone, e-mail, nationality, home country, address;
    - ✓ input for classification: investment experience (years), industry background (from list), target industry sector (from list), competences to offer for helping startups (from list), desired size of tickets, desired number of startups in portfolio, would co-invest;
    - ✓ recommendation of existing members (members should be visible with at least a LinkedIn Profile on our website) or shareholders of the CE-Connector ACIF. Recommendations can be certified by uploading 2 relevant recommendations from existing members or founding partners of CE-Connector.
    - ✓ in case members of partner organisations (eg. like HunBAN) apply, fill in the name of the partner organisation, no need of recommendation from existing members. CE-Connector checks the applicant's membership at a partner organisation.
- Eligibility checking
  - CE-Connector examines if:
    - ✓ the application form is properly filled in and
    - ✓ recommendations attached or partner organisation referred.
  - Confirmation
    - ✓ Decision made by the Board of Directors.
- Notes of membership
  - Accepted members will receive a confirmation mail containing the greetings, the official confirmation mail, acting as the contract between the Angel and CE-Connector, the Operation Manual, schedule of next education (online and

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face to face), schedule of next events and how they can find and meet Startups in our network.

## **Managing relations with existing Angel Investment Market members**

CE-Connector has to perform its best to keep members in the Angel Investment Market so that the community could keep its capability of co-investing in the long run.

Measure of this process is:

- The ratio of Business Angels stay in the Angel Investment Market over 3 years.

The selected way of doing this is maintaining the knowledge base by providing investment related services, education, collecting and returning experience to the education and investment processes and communication channels for members.

- Digital community engagement
  - Chatroom / Mailing list
  - Phone calls by the Manager(s) of Angel Investment Market
- Distribution of investment opportunities
  - By e-mail, by organised meetings and calls, at internal events
- Internal events to meet and
  - Discuss investment opportunities (startups)
  - Share experience - feed into education
  - Find next investor
  - Find scale-up partners in participating countries
- Support of investment processes
  - Legal assistance
  - Due diligence process management
  - Formulate and manage an Angel syndicate
- Frequent online education courses for members
  - Investment processes
  - Co-investment approach
  - Legal background in CE-Connector countries
  - How to formulate an angel syndicate
  - Portfolio management
  - CE-Connector's support in due diligence
  - Practical guide how to become a Lead Angel

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# *ANNEX 10 – RESTRICTED SECTORS*

Within the CE-Connector project, we defined investment criteria on the transnational level for the implementation of pilot co-investments, which also include a list of industries / sectors in which the CE-Connector partnership do not invest.

The list is taken from the exclusion sector guidelines as adopted by the European Investment Fund. These are sectors that are not in line with European Union policies.

The following economic sectors are together referred to as the EIF and also the CE-Connector ACIF Restricted Sectors:

## **1. Illegal Economic Activities**

Any production, trade or other activity, which is illegal under the laws or regulations of the home jurisdiction for such production, trade or activity. Human cloning for reproduction purposes is considered an Illegal Economic Activity in the context of these Guidelines. b.

## **2. Tobacco and Distilled Alcoholic Beverages**

The production of and trade in tobacco and distilled alcoholic beverages and related products.

## **3. Production of and Trade in Weapons and Ammunition**

The financing of the production of and trade in weapons and ammunition of any kind. This restriction does not apply to the extent such activities are part of or accessory to explicit European Union policies.

## **4. Casinos**

Casinos and equivalent enterprises.

## **5. IT Sector Restrictions**

Research, development or technical applications relating to electronic data programs or solutions, which

- aim specifically at:
  - (a) supporting any activity included in the EIF Restricted Sectors referred to under 2. a to d above;
  - (b) internet gambling and online casinos; or

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(c) pornography,

or which

- are intended to enable to illegally
  - (a) enter into electronic data networks; or
  - (b) download electronic data.

## **6. Life Science Sector Restrictions**

When providing support to the financing of the research, development or technical applications relating to:

- human cloning for research or therapeutic purposes; or
- Genetically Modified Organisms (“GMOs”).

For more information about the Restricted sectors, please check the Guidelines on the EIF Restricted Sectors, that are available at:

[https://www.eif.org/attachments/publications/about/2010\\_Guidelines\\_on\\_restricted\\_sectors.pdf](https://www.eif.org/attachments/publications/about/2010_Guidelines_on_restricted_sectors.pdf)

# *ANNEX 11 – INDUSTRY FOCUS PER TERRITORY*

Within the CE-Connector project, we defined investment criteria on the territorial level for the implementation of pilot co-investments, which also include the industry focus of Startup on selected RIS3 segment per territory.

Given the analysis of Business Angels' ecosystem and competing funding landscape in all 6 territories towards Business Angels and Startups, the following RIS3 segment focus has been chosen.

TERRITORY	DEFINED RIS3 SEGMENTS
POLAND	IT and telecommunications (ICT)
	Medical Industry, pharmaceuticals and cosmetics (including health resort medicine)
	Innovative agriculture and agri-food industry
GERMANY - BADEN-WUERTTEMBERG	Sustainable mobility concepts
	ICT, green IT and products
	Environmental technologies, renewable energies and & resource efficiency
CZECH REPUBLIC	IT services and software
	Mechanical engineering
HUNGARY	ICT and information services
	Clean and renewable energies
	Healthy society and wellbeing
CROATIA	Energy and Sustainable Environment
	Security
SLOVENIA	Smart cities and communities
	Smart buildings and homes

Source: CE-Connector ACIF Strategy

## *ANNEX 12 – DUE DILIGENCE QUESTIONNAIRE*

### **BASIC INFORMATION**

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<b>Company Name</b>	
<b>Trading Name (if different)</b>	
<b>Address</b>	
<b>Contact individual and contact details</b>	
<b>Requested size of investment</b>	
<b>Anticipated funding date</b>	
<b>Valuation</b>	
<b>Company headquarters</b>	

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# CE-Connector ACIF: DUE DILIGENCE QUESTIONNAIRE

## 1 MARKET ASSESSMENT

To determine if the opportunity has the prospect of addressing a significant market and can exploit that market.

### 1.1 **Is the identified market of sufficient size?**

The market identified by the business must be of significant size. By that we mean that either in terms of population of potential customers, or the value that can be obtained from potential customers is of a size that with a reasonable market share the business can generate a revenue that would make it highly profitable and justify a high future value.

Keys to this are that the market is readily identifiable, or even exists today, that the products that the business proposes to sell are reckoned to be needed and valued, and that the costs of getting to market are economic.

**Please provide a description of the target market and any data that supports a quantitative analysis of it.**

### 1.2 **Is the market international?**

For businesses in Europe this is key. Is your business suitable for expansion out of your home market?

### 1.3 **Is the product or service to be offered sufficiently disruptive to existing markets?**

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A key criteria for the CE-Connector ACIF is that the business is seen to disrupt an existing market. By this we mean that the offer can take disproportionate market share through a USP (unique selling proposition). This is typically cost, new approach to market, better/more evolved product.

**Describe how your product/service is addressing a 'pain point', and how your product/service is going to disrupt the existing market.**

#### **1.4 What is the USP and is it compelling?**

The USP needs to be well articulated and obvious. If it's not obvious to us then it's unlikely to be obvious to the addressable market. In addition to be understandable, we should be confident that potential customers will regard it as compelling enough to purchase, i.e. that it solves a problem and it provides value for money.

**Please set out how you view your USP and how this will make you competitive in your market.**

#### **1.5 Is the market accessible and how will this be achieved?**

Has the company identified its routes to market and what is the assessment of these in terms of speed and cost of customer acquisition.

**Please detail these routes to market, the metrics used and metric data.**

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## 2 **PRODUCT ASSESSMENT**

To determine if the current product is or will be suitable for the addressable market?

### **2.1 Is the product in the market?**

If so, what is the traction and has it demonstrated itself against its assumed USP's? If not, then we must be satisfied that the product can be completed to MVP and that the costs of this are sufficiently covered by the existing funds or the funds being raised in the round.

**Please describe the product's traction and performance in the market, please give data where possible.**

### **2.2 Can or will the product demonstrate scalability?**

To reach a significant market, the product must be scalable (a corollary to this is that the costs to market must be relatively small compared to the margins anticipated). Scalability requires, in the case of services in particular, the ability of the product to be sold without excessive human resource, i.e. through technical mechanisms (e.g. on-line), and without the requirement for significant post-sale customer service.

**Please describe how your product is scalable.**

### **2.3 Development**

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To be a competitive product in the future, products require to evolve. Does the product in question have the capability to do that, or are there opportunities for that to occur? In most cases this means that the product is on a sufficiently scalable platform, the product is developed in such a way that it can be enhanced/modified to bring on new features or address new/adjacent markets.

**Please set out the development plans/potential of your product.**

### **3 ORGANIZATION AND MANAGEMENT**

To determine primarily if the founders/creators of the business have sufficient drive, capability and incentive to make a success of the project, and to check that the business is, or will be, sufficiently resourced to carry out the medium term objectives (in particular the objectives to the next funding round).

#### **3.1 Founders background and entrepreneurial characteristics to make a success**

**Please describe the core team and provide CV's/resume's for key team members.**

#### **3.2 Does the key team have enough equity in the business to maintain control and motivation?**

**Please set out the ownership interests and equity-based incentives for the key team members.**

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**3.3 Is the senior management staff complement sufficient?**

Is the team put together with the balance of capabilities required. This includes marketing, product development, and financial control at a minimum. Other considerations are that there is sufficient off-the-books support from other investors or non-executive board members.

**Please describe how your team is satisfactory for performing the tasks required (and please refrain from describing everyone as 'exceptional').**

**3.4 Is the business sufficiently resourced to achieve the medium term goals (i.e. goals to the next round), will it be able to resource with the funding from this round?**

The key here is to ensure that the team is already resourced, or it can get and afford resource to take the project through to the next milestone. In most cases this will be through to the next round of financing.

**Please describe how you are either satisfactorily staffed for the foreseeable future, or your hiring plans for the same period.**

**3.5 Who has worked with you so far (name, position, role) and what was your contractual arrangement (employee, freelancer, manager...)?**

Have you cooperated with any legal or natural person without any written contract and are there any (monetary or non-monetary) claims arising out of those relationships?

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**Please specify.**

#### **4 FINANCIAL PLAN AND FINANCING**

To ensure that the current financial plan is viable and will increase the value of the business (if achieved) sufficient to ensure that an investment is worthwhile.

##### **4.1 Has a credible financial plan been developed?**

Since most of the co-investments under the CE-Connector project will be in environments where high growth is expected, plans will necessarily be uncertain and results volatile. Additionally, within plans there will be significant hurdles or milestones that need to be reached to unlock growth, e.g. successful product development, or a significant customer acquisition, this also leads to uncertainties, especially on timing. From a plan, therefore, we are looking for evidence that the obstacles to, and achievement milestones necessary to, growth have been identified and that the timing of them is reasonable. Furthermore, we are looking to ensure that there is a balanced assessment of revenue growth versus human and financial resource (i.e. marketing spend). Lastly, that the estimate of operating costs is reasonable.

**Please attach your latest forecasts, and describe below the key milestones required to achieve the plan. If these are already set out in other documents (e.g. presentation decks) please attach them instead.**

##### **4.2 Will the plan deliver value accretion up to the next round of financing?**

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To deliver value accretion the plan must show feasible revenue growth and/or profit, and that scalability is translated into low marginal cost of growth in the financial plan.

**Please set out the key drivers of capital value growth and how you see the value of the business growing during the course of the plan.**

**4.3 Is the funding/burn-rate balance sufficient to ensure a viable runway, taking into account the probability of delays in achievement?**

Does the plan show that the current round of financing, i.e. the one under the CE-Connector ACIF, is sufficient to cover the operating deficit up to the next anticipated round (allowing for financing delays and slower than anticipated growth contingencies)?

**Your comment.**

**4.4 Have there been any prior and active term-sheets, convertible loan agreements, equity rounds or other financial agreements concluded?**

**If so, please describe these financings and their status.**

## **5 FINANCIAL STATUS**

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To ensure that the financial state of the company is satisfactory, and has been reasonably represented.

**5.1 Please attach your latest financial statements (audited, if possible) in English. Please state below if you are aware of any issues regarding the quality of your financial statements or if there are any issues not represented in, or which have occurred subsequent to, the financial statements that would make a material change to their interpretation.**

## **6 LEGAL ASSESSMENT AND INTELLECTUAL PROPERTY**

To assess the basic legal position of the business: its status, litigation and intellectual property, and the general status of its contracts. This is a "layman's" version of a full legal due diligence, but is generally satisfactory for a business with low trade volumes, a relatively short history, a few complex relationships with suppliers/customers.

**6.1 Does the company own the assets that it purports to own?**

This is fundamentally about the ownership of the development work that has been done within the company, and hence the ownership of any IP. If development work has been contracted out to other individuals or companies it is important that the ownership and rights to exploit the work rest with the target company. There are typically few, if any, other assets on the balance sheet of an early stage business (at least of any significance).

**Please set out the principal assets of your company and how these are represented in the balance sheet.**

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**6.2 Has the company declared all its liabilities?**

Few early stage companies will have debt in any structured form, but there may be amounts owing to early investors or suppliers that are the result of informal relationships.

**Please set out the material liabilities of the business: loans, obligations to third parties, etc.**

**6.3 Has the company got any contingent liabilities?**

These would be claims/lawsuits pending. Lawsuits are unlikely but claims on patents are possible.

**Please set out all material contingent liabilities. Are there any litigation, enforcement, administration, inspection, tax or other procedures currently open?**

**6.4 Is your business activity regulated? Which permits and licenses do you currently hold?**

**6.5 Are there any agreements or company decisions which are material for this transaction?**

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**6.6 Has the company started to register its Intellectual Property?**

**If so, please elaborate on what property you are protecting and how advanced you are. Is all your IP registered with your legal entity? Have you concluded any licensing agreements?**

**6.7 Are there any third-party IP rights on your business and have all your current and past employees and partners concluded agreements containing an IP transfer clause?**

**Also please supply a copy/scan of the following documents:**

- Articles of association for the company
- If the list of shareholders in the Articles does not reflect the current actual shareholder structure, please also supply the latest company's List of Shareholders and Business Shares deposited to the competent Court Registry

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**7 SHAREHOLDERS MATTERS**

**7.1 Does the Company offer shareholder protections to its existing shareholders and will these be available to private and public investors participating in the CE-Connector ACIF? By this we mean, inter alia, anti-dilution provisions, tag/drag-along rights, liquidation preferences, rights to acquire/rights of first refusal.**

**7.2 Are there options issued or granted to shareholders or to staff?**

**Please describe any options or option schemes.**

**7.3 Please provide an up-to-date capitalisation table for the Company in spreadsheet form in English.**

**8 EXIT ASSESSMENT**

Although this is a somewhat speculative area, Ce-Connector partnership is interested in your views regarding the possible exit scenarios. This part of the questionnaire is, therefore optional, and is not designed to elicit any form of commitment.

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**8.1 What do you see as potential strategic exit opportunities?**

**Your vision. Are these competitors, distributors, adjacent-sector players?**

**8.2 Do you see non-strategic exit opportunities?**

**Your opinion.**

**8.3 What will happen if there isn't an exit, i.e. will the company become self-sustaining?**

**Does it have the capability to generate enough cash to stay alive?**

**8.4 What's the likely timeframe for an exit?**

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**Please complete the following table with the information needed for the potential transactions.**

<b>COMPANY INFORMATION</b>	
Legal Name	
Country of incorporation	
Company address in the country of incorporation	
Company address postal code in the country of incorporation	
NUTS code (level 3) for country of incorporation <sup>(1)</sup>	
Company Incorporation date	
Type of legal entity e.g. SAS, GmbH, Ltd etc.	
Trade Register number or VAT number (if appropriate)	
Website	
Country of main operation	
Company address in the country of main operation	
Company address postal code in the country of main operation	
NUTS code (level 3) for region of main operation <sup>(1)</sup>	
Invest Europe Investment stage <sup>2)</sup>	
Invest Europe sector <sup>(3)</sup>	
NACE code <sup>(2)</sup>	

Nature of business (short description of activity)	
Reporting currency <sup>(4)</sup>	
The company is a micro, small or medium-sized enterprise (the 'SME') as defined, in accordance with the Commission Recommendation 2003/361/EC (OJL 124, 20.5.2003, p.36) <sup>(5)</sup> and Annex I of the Commission Regulation (EU) No 651/2014 and as amended from time to time (Y/N)	
Number of employees <i>[insert reference period]</i> <sup>(5) (6)</sup>	
Total Assets <i>[insert reference period]</i> <sup>(7)</sup>	
Annual turnover <i>[insert reference period]</i> <sup>(8)</sup>	
Comments	

(1) For NUTS code, please visit the following link:

<https://ec.europa.eu/eurostat/web/nuts/nuts-maps>

(2) For NACE codes, please visit the following link: <https://nacev2.com/en>

(3) For Invest Europe sectors, please consult the following list (scroll down to 'Research methodology sectoral classification' to download the file):

<https://www.investeurope.eu/research/about-research/methodology/>

Direct link: [https://www.investeurope.eu/media/1105/sectoral\\_classification.xlsx](https://www.investeurope.eu/media/1105/sectoral_classification.xlsx)

Reporting currency is defined as the currency in which the company's financial statements are presented

(4) Following website should be consulted for the determination of SME status [http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition\\_en](http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition_en)

(5) The headcount corresponds to the number of annual work units (AWU), i.e. the number of persons who worked fulltime within the enterprise in question or on its behalf during the entire reference year under consideration. The work of persons who have not worked the full year, the work of those who have worked part-time, regardless of duration, and the work of seasonal workers are counted as fractions of AWU. The staff consists of:

(a) employees;

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(b) persons working for the enterprise being subordinated to it and deemed to be employees under national law;

(c) owner-managers;

(d) partners engaging in a regular activity in the enterprise and benefiting from financial advantages from the enterprise.

- (6) Total assets should correspond to the amount reported in the latest approved financial statement of a company, expressed in the functional currency of a company. In the case of a newly established company, for which financial accounts have not yet been approved, the applicable data should be derived from a bona fide estimate made in the course of the financial year.
- (7) Total turnover should correspond to the amount reported in the latest approved annual financial statement of the relevant company covering the relevant financial year, expressed in the functional currency of a company. In the case of a newly established company, for which financial accounts have not yet been approved, the applicable data should be derived from a bona fide estimate made in the course of the financial year.

## **ATTESTATION**

This questionnaire was completed, and the supplementary information prepared and supplied by myself as part of the CE-Connector Due Diligence process. Except where information was created by third parties (and provided here for completeness) or where my answers are clearly speculative, I attest to the following:

1 that to the best of my knowledge the material provided is believed to be accurate;

2 that the information provided and the answers to the questions provided herein are complete;

3 that there are no material omissions from this questionnaire;

4 that I am aware of the project eligibility requirements of an investment and that the investment will be carried out with the expressed interest and confirmation by a group of Business Angels and a national provider of public leverages;

5 that I am aware of the reporting requirements of CE-Connector ACIF and those connected to the privat and public investors;

6 that I have fully disclosed in this questionnaire all the material risks and contingencies that are known to me, and which may negatively impact the Company.

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Name:

Position: Owner/Founders/Manager

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## **Guidance Notes**

A critical part of the CE-Connector ACIF due diligence process is the review of documentation supplied by your Company. This document is designed to be completed by one of the Owners/Founders/Managers of the Company, whichever is applicable. At the end of the document there is an attestation to be completed by the preparer which attests that the information provided is complete and accurate to knowledge of the preparer. To begin with, please send in this questionnaire in draft form so that we can review and discuss it if necessary, and then we will ask you to sign and date it.

The questionnaire is divided into sections that may require answers to be completed in the boxes indicated, or supplementary material to be sent with the completed questionnaire. Where supplementary documentation is required, e.g. in a pdf or spreadsheet file, please reference the name of the supplementary document in the box provided in this questionnaire.

The questionnaire is designed for a wide range of businesses at different stages in their development. Therefore some questions may not be relevant to your Company, and in this case enter 'not applicable', however please consider the relevance of the question carefully before rejecting it: if information is not given it may delay our due diligence process.

If you have questions or require help on this questionnaire please contact your national representative.

CE-Connector ACIF CONTACT PERSONS: