



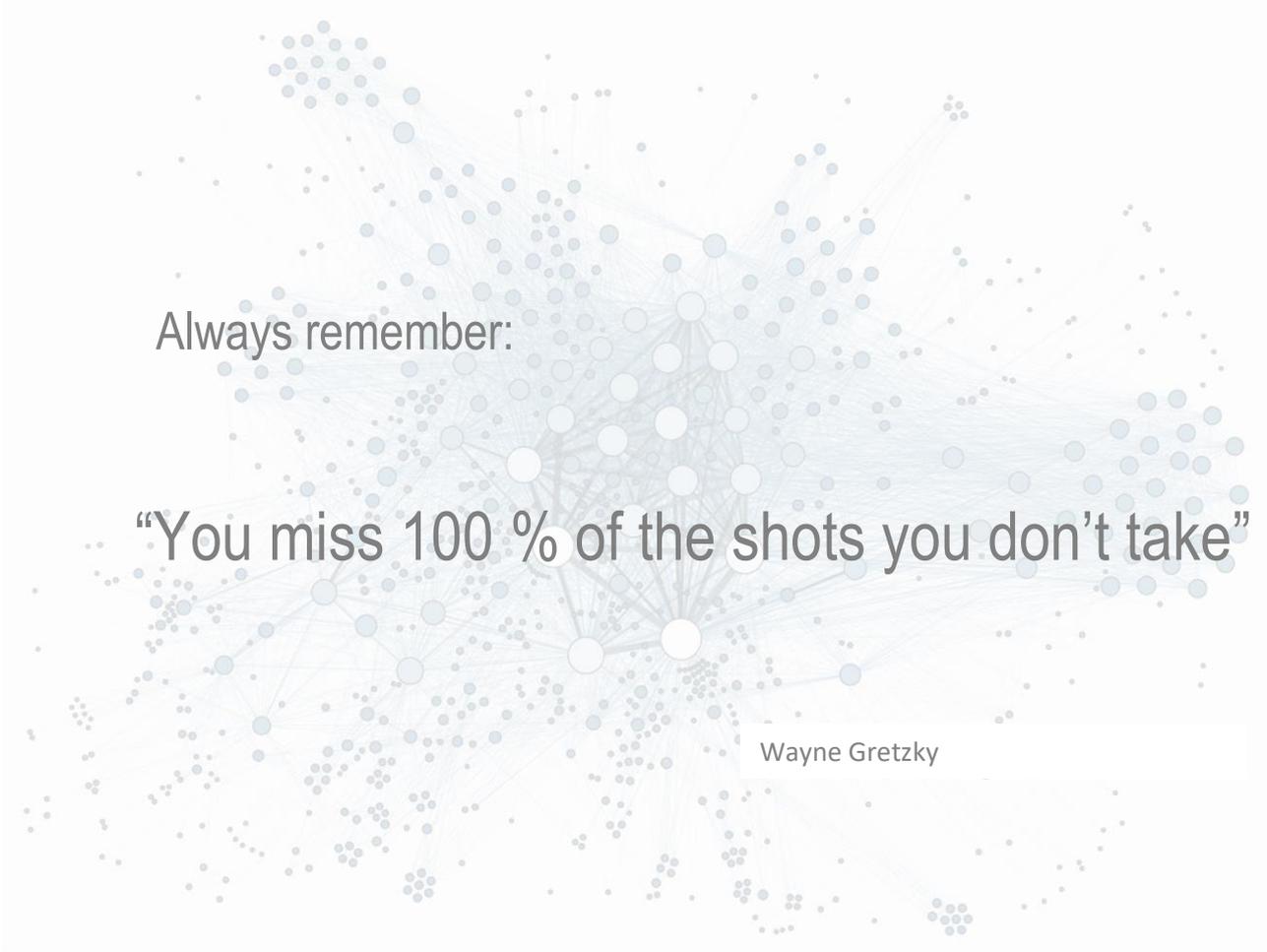
EIT Health Accelerator

INVESTOR NETWORK

Application details

EIT Health hereby invites incorporated start-ups and SMEs to submit their Investor Network applications

Submission deadline: 28th June 2019

A complex network diagram with numerous nodes of varying sizes and colors (blue, grey, white) connected by thin lines, forming a dense web. The nodes are distributed across the page, with a higher concentration in the center.

Always remember:

“You miss 100 % of the shots you don’t take”

Wayne Gretzky

For any information regarding the application please refer to your Regional contact:

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The EIT Health Investor Network aims to connect European health-oriented investors and promising start-ups through cross-border financing and co-investments, making it the first pan-European, EU-driven network solely focused on financing health innovation.

1. The Pitch: Purpose of Programme

This **Investor Network** addresses the issue of seed to late development stage fundraising across Europe to conquer health markets faster and better. It offers high potential start-ups connections to a wide variety of private-equity investors such as Business Angels Networks, family offices, VCs or Corporate VCs, all of whom have all been invited to join after warm referrals and interviews.

The purpose of the **EIT Health Investor Network** is to:

- Allow start-ups to **access funding faster**
- **Foster earlier internationalization** with cross-border investors
- **Leverage local funding** with international co-investments

2. Timeline

Application opens: 8th April 2019

Submission deadline: 28st June 2019

(Applications can be submitted continuously throughout this period)

Selection decision: 2 weeks after submission- decision will be announced by email.

3. Application Support

The applicant is invited to carefully review the criteria and documents requested before submitting an application. We suggest applicants contact their regional EIT Health Business Creation Manager for guidance before applying. The regional contact may support the project owner in defining the appropriate actions to produce an application that fits the scope and goals of the **EIT Health Investor Network** Programme.

4. Is it for me? Eligible applicants and projects

The **EIT Health Investor Network** is suitable for innovative healthcare start-ups and SME based in Europe.

The company must be incorporated/registered and looking to raise a minimum of €500 K in the next months or year.

The Funding:

If you are seeking private equity funding from €500 K to potentially €30M.

It must be noted that the **EIT Health Investor Network** is a facilitator for the access to funding but in no way, can it be held accountable in any manner for the failure of the company to raise funds within the network.

Cost of Entry:

The Submission of your application and the use of the Investor Network is free of charge for start-ups.

5. Eligibility Criteria

Proposals not meeting the eligibility criteria, as confirmed by the EIT Health evaluation committee, will be rejected.

The Application

- Must be in English.
- Submitted through EIT Health Optimy Registration platform. Incomplete submissions, late submissions, or submissions via any other routes (e.g. email) will not be accepted. Register your EIT Health account and apply here: <https://eithealth.optimytool.com/en/user/login/?returnUrl=%2Fen%2Fproject%2Fnew%2F>.

The Project

To join, your project should respect the following points:

WHAT YOU SEEK :

- Equity funding > € 500K
- Investors that bring their expertise into your start-up governance
 - International growth

WHAT YOU HAVE ACHIEVED :

- Technical proof of concept done (or prototype to be completed)
- Public grants and love money raised at a significant level (please see Q/A section)

WHAT YOU KNOW :

- Yours is a disruptive solution to address a real need for a sizeable target with sufficient purchasing power
- Funds should go to a specific development stage or milestones with clear deliverables that will increase the start-up value for a given type of subsequent investor

WHAT YOU FORESEE :

- High growth (when you have a turnover, it should be x2/year at least)
 - Ambition of Peak sales in the coming years > € 10M
 - Clear exit for investors and <7 years

6. The Documents

Documents to be uploaded onto Optimy (only the relevant EIT Health and Project team members will have access to your answers and documents. All are bound by a non-disclosure clause).

- **A SLIDE DECK FOR A 10MN-PITCH**
 - Project team
 - Problem to solve – Target market
 - Solution and business model
 - Competitive landscape – competitive advantage – sustainability
 - Amount needed (equity + others)
 - Startup value before funding
 - Milestones, exit scenario and timing

The deck should contain bullets points, illustrations and be a clear overview of your project.

- **A FINANCIAL FORECAST:** A 3-YEAR BUSINESS PLAN
- **AN EXECUTIVE SUMMARY:** a 1 to 2-page summary that will communicate your value proposition and make the reader want to look at your BP.

The Questions asked in your application will reflect what an investor wants to know:

- **Round Overview**
 - Company URL
 - Founded: month/year
 - Employees: #
 - Entrepreneur : name cell phone Email
 - Referred by: local investor, incubator?...
 - Funding Stage: Seed, Serie A, B or C?
 - Previous rounds: total amount, equity, loan, subsidies
 - Amount being raised in total:
 - Equity
 - Loan
 - Subsidies
 - Pre-Money Valuation: xxx€
 - Run Rate: xxx€ (1-year sales projection based on 1st months sales)
 - Gross burn rate : monthly spendings
 - Net burn rate: xxx (=monthly spendings-monthly revenues)

- **Project Team**

- The founders
 - Name
 - Skills & relevant experience
 - Current role and key milestone achieved since start
- The other executives
 - idem
- The advisors
 - Name
 - What he/she brings to the project
- The other shareholders

- **Problem to Solve – Target Market**

- What is the problem (large, growing, painful)?
- Why unsolved so far?
- OR:
- What is the opportunity?

Market structure and dynamics:

- Where does the startup stand within the current market space / industry ecosystem?
- Description of target market: how many people/x/y/z are they targeting? Which profile? Why?
- Total Addressable Market (TAM): specific estimate of its size (bottom up and top down)

- **Competitive Landscape – Competitive Advantage**

- **Solution and business model**

- Product/service overview :
 - what does the solution look like and work?
 - why is the start-up the one and only to be able to crack the problem?
 - how defensible is the advantage?
- Value Proposition: what does the start-up propose in terms of **benefits**?
 - >> 1 descriptive factual sentence
- Perceived Value: what do the customers say?
- Product roadmap: vision of the product in 6-18 months

Business Model & KPIs

- Sources of revenue stream
 - Sales pipeline (number and size of opportunities per pipeline stage, total pipeline value per stage, probability-adjusted pipeline value)
 - Pricing policy vs competition
 - Cohort study: customer/user behavior over time > > sales distribution
- Way to market
 - Distribution channels and related acquisition costs (direct sales, partnerships, content marketing, events, SEO, paid search ?...).
 - Regulatory status
 - Reimbursement conditions
 - Sales funnel

KPI: measure and demonstrate best performance by picking the right KPIs for the project (limited number of KPIs, monthly update)

Sales, Average basket size

Contribution margin

Customer acquisition cost

Customer Life Time Value

- **Story so far, future**

Milestones achieved since start

Vision @ 24months max

- **amount needed (equity + others)**

Amount needed for the next 12-24 months

Investment split

Cash burn

Milestones that will be achieved (with / without the investment)

- **Start-up value before funding**

- **Exit**

7. Investors

The Investors, members of the **Investor Network** have joined after being interviewed by a member of the Investor Coordination team. They often join on a referral basis and their track-record is well known.

These European-based investors are either:

- Supra business Angels (minimum ticket €100 K)
- Representative of a Business Angel Network
- Representative of a Family Office
- Representative of a Venture Capital Firm
- Representative of a Corporate Venture fund
- Representative of a Public Investing Institution

Some of the name of our members are confidential. However once on the Investor Network Platform, you will be able to view the investors that mark an interest in your company. You will be able to accept or refuse these investors and only give access to your confidential data room to those of your choosing.

All members are interviewed and have signed a Code of Conduct that includes a legally binding Confidentiality Clause. This code of conduct can be requested for review to operations@angelssante.fr.

8. Next steps

Once your applicant has been accepted

- You will receive a welcoming note + a Memorandum of understanding (MoU) to sign + a tool box.

The MoU is a 3-page document that details the obligations and understanding between parties upon the entry into the network. It will be sent to you by DocuSign for an easier e-signature.

The MoU can be viewed upon request at operations@angelssante.fr.

The Tool box will include documents to help you with your fundraising such as: a checklist of documents for the Due Diligence, templates of Term sheets for Seed and Series A fundraising etc...

- You will be given access to the dealflow management platform where you will upload the required information (very similar to the application)
- Investors will be notified of your arrival and will review your profile.
- Please note that investors cannot be contacted directly by you.
- We assist in highlighting your projects via various methods: deal
- More information will be given to you once you enter the platform

9.EIT Health Regions

Applications may only be submitted to the region the applicant self-identifies with. EIT Health has seven regional offices that represent European states. The seven offices represent:

- Germany and Switzerland
- France
- Belgium and The Netherlands
- UK and Ireland
- Scandinavia
- Spain
- Innostars Regions: (The project must be hosted by micro or small enterprises that are already incorporated/registered before the granting is initiated).

The InnoStars office also addresses the countries of the Regional Innovation Scheme, which currently include: Czech Republic Greece, Lithuania, Slovakia, Malta, Bulgaria, Cyprus and Romania.

- Applicants from Austria, are encouraged to contact the Germany/Switzerland node.
- Applicants from Israel, are encouraged to contact the Belgium/Netherlands node.
- Applicants from Norway, Finland are encouraged to contact the Scandinavian node.
- Applicants from other EU Countries not listed, are encouraged to contact the Innostars node.

10. Frequently Asked Questions, FAQ

Are the applications treated under confidentiality?

Applications submitted to the EIT Health Investor Network Programme are handled under confidentiality. Everybody that comes in contact with the applications during the review process is bound by confidentiality agreements. Each investor who gains access to the Dealflow management platform will sign the Investor Network 2018 Code of Conduct.

Why do you need all this information about my project to let me seek funding?

The reason is two-fold: one is because we need to evaluate ourselves the maturity level of your project and ensure that it meets our various criteria. We've made extensive efforts to find motivated investors that may make a difference in your fundraising process and we must be diligent as to the quality of the projects we present.

Why do you ask for Public grants and love money raised at a significant level?

To avoid diluting too early, you should have at least raised money through grants, loans or love money prior to seeking further funds. If you have not done so yet, please review all your local fundraising options. We will be happy to review your project at a later stage.

Why do you ask about my pre-money value at this stage?

It is an element of great value to investors. If you value your company at too high a level, then investors will cast you aside quickly as their return on investment will depend on it. If you have an unspecified valuation, investors might ask you for special warranties. Whatever your value, negotiations will follow.

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Will I be able to contact Investors directly once on the platform?

Investors receive a great number of project through various channels and they do not wish to be contacted directly. They will be however notified once you come in, then you will appear in one of our deal letters and your webpitch will be pushed toward the identified investors.

What is the thematic scope of projects EIT Health supports?

EIT Health's mission is to promote entrepreneurship and develop innovations in healthy living and active ageing, providing Europe with new opportunities and resources. EIT Health will enable citizens to lead healthier and more productive lives by delivering products, services and concepts that will improve quality of life and contribute to the sustainability of healthcare across Europe

The main societal challenges addressed:

1. To promote healthy living
2. To support active ageing
3. To improve healthcare