



EIT Food is supported by the EIT  
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# EIT Food Impact Fund

## Terms & Conditions

V3.2 28-06-2022

Change log

Version 1.0: Original version.

## EXECUTIVE SUMMARY

### 1. Why EIT Food Impact Fund?

EIT Food Impact Fund will contribute with funding directly to beneficiaries of the EIT Food's programs and facilitate access to investors (e.g Food Sparks) via the EIT Food investors community and the Venture Summit. EIT Food supports in the access to funding since we believe is a key issue to support early-stage start-ups and accelerate their development.

### 2. Funding scheme

Under the EIT Food Impact Fund, *Access to Finance (A2F)* can provide funding up to €500,000 per venture to implement highly innovative-associated projects (see our Terms & Conditions). In addition to the investment scheme, A2F offers to those selected candidates' access to the EIT Food Investors community and fast-track 1:1 investor meetings, coaching and scale-up support.

### 3. Addressed to: target group

A) **Potential applicants** who wish to apply for EIT Food funding,

B) **EIT Food Contact points** Representatives of any of the EIT Food's Flagship programs, RIS, CLCs... giving support to potential candidates (startups) to become part of the EIT FOOD's companies' portfolio.

C) **Our Investor community**

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# 1. Overview of EIT Food and scope of the initiative

EIT Food is a pan-European partnership and leading innovation ecosystem designed to empower innovators and entrepreneurs to develop world-class solutions to food challenges, accelerate innovation, create jobs and increase Europe's competitiveness. As one of the largest food-related initiatives worldwide, EIT Food wants Europe to lead a global revolution in food innovation and production, improve nutrition and making food systems more resource-efficient, secure, transparent, and trusted. Startups with high impact and growth potential are key to the success of this mission.

EIT Food Impact Fund builds on the experience of the EIT Food Bridge Fund (part of EIT's Crisis Response Initiative) that supported startups highly affected by the Covid-19 situation. The aim of the EIT Food Impact Fund is to continue providing financial and company support to high impact and high growth potential startups and scaleups, to help them realize their economic and societal impact objectives.

Funding provided by the EIT Food Impact Fund is deemed public funding, provided under the [Horizon Europe](#) (HE) framework. This means that the HE guidelines must be respected regarding the activities that can be funded, eligibility of costs made with the funding provided, and reporting requirements. This Terms & Conditions document will further detail those requirements.

## 1.1 What kind of support can the EIT Food Impact Fund offer?

The EIT Food Impact Fund can provide funding from €100,000 to €500,000 per venture to implement innovation activities that contribute to the development and commercialization of new technologies, products and services (see also paragraph 1.2 and 2.2). Together with the financial support, the EIT Food Impact Fund offers additional services to support founders in their innovation activities and the growth of their venture.

## 1.2 How can the funding be used?

When applying for funding from the EIT Food Impact Fund, an investment proposal will be submitted. This proposal will be reviewed (see also Evaluation Criteria) for its potential, feasibility, and adherence to the Horizon Europe guidelines. An investment proposal will contain the milestones, activities, planning and budget of the activities to be carried out with the funding. Those activities will include:

- a. R&D and product development activities required for the success of the venture's solution in the market (e.g. by organizing facilities, hiring key R&D personnel, or leasing equipment);
- b. Commercialization activities critical to the success of the venture's solution in the market, by executing pilot projects, performing market research, engaging with potential customer – as long as the commercialization activities are directly linked to the proposed innovation;
- c. Fundraising activities critical to the success of long-term value creation by the venture, e.g. by further developing business plan material, involving specific consultancy expertise.

# 2. Funding & investment scheme

## 2.1 The scheme

The EIT Food Impact Fund can provide financial support up to €500,000 per venture. This investment is made available first through a "Subgrant Agreement"<sup>1</sup> outlining the conditions of the financial support provided. The Subgrant Agreement ensures compliance of the funding to EU guidelines under the HorizonEurope programme.

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<sup>1</sup> If a sub-granting agreement is not possible, e.g. for linked third parties, including RisingFoodStars members, another structure will be applied. These parties can follow the same application process as other applicants.

The investment mechanism will be selected and discussed on a case-by-case basis depending on the nature of the venture. Typically, EIT Food will either apply the **SAFE** instrument, or **co-invest** along other (lead) investor in an on-going equity investment round. The structure of the investment will be detailed during phase 2 of the process.

In case a SAFE (simple agreement for future equity) is applied, the term sheet will outline and further detail the terms, as summarized below:

- SAFE Amount: the value of the SAFE will be the same as the total value of all expenses proposed in the project plan (for which the funding is requested) and agreed upon by EIT Food;
- Conversion: automatic upon a qualified equity financing round or liquidity event;
- Repayment: repayment of the SAFE Amount upon a dissolution of the venture;
- Discount Rate: the SAFE Amount will convert into shares with a discount between 10-25% on the price per share of the investment round or liquidity event;
- Valuation Cap: the valuation cap will be the maximum valuation used to determine the price-per-share for the conversion of the SAFE Amount into shares;
- Board Observer: EIT Food is entitled to appoint one (1) observer (at no cost for the Company), who will be invited to attend all the meetings of the managing body of the Company. This will be decided in a case-by-case basis.

In case EIT Food co-invests in an equity investment round, the terms as agreed by the lead investor(s) of that round will be followed by EIT Food.

The funding will be made available in one or two tranches (this will be decided case-by-case based on the amount of the funding and the proposal), which may or may not be equal tranches, based on clear deliverables and accompanying budget estimation that are proposed. Each tranche will be transferred up-front, as pre-financing. Progress will be monitored periodically and reported (see article 5 "Reporting").

## 2.2 Eligible Costs

The funding can exclusively be spent on costs that:

- Are correctly spent in line with the Project Proposal (see article 1.2) as it was approved by EIT Food and included in the Subgrant Agreement;
- Are spent within the Funding Period (which is by default the period between the date the Subgrant Agreement is signed, and 31 December 2022) and under the HorizonEurope criteria;
- Identifiable and verifiable during final reporting and upon audit by EIT;
- That comply with the applicable national law on taxes, labour and social security;
- That are reasonable, justified and must comply with the principle of sound financial management, in particular regarding economy and efficiency.

## 3. Evaluation Criteria

### 3.1 Eligibility Criteria

To be considered eligible for funding from the EIT Food Impact Fund:

- The applicant must be a registered legal entity;
- The venture engaged in or graduated from any of the EIT Food's three segments (Launch, Accelerate or Scale) in the last 2 years prior the submission of the funding/investment proposal.
- The legal entity must be based in a Member State of the European Union (EU) or EIT Food associated countries to Horizon Europe<sup>2</sup> by the time the application and its eligibility are being analysed;
- The applicant must be a Small Enterprise as defined under the EU recommendation 2003/361;
- Application must be submitted in English;

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<sup>2</sup> Please see the Horizon Europe Programme Guide for up-to-date information on the current list of and the position for Associated Countries.

- The applicant through its venture must address one of the six focus areas of EIT Food, linked with EIT Food's Strategic Objectives and listed in Annex I;
- The applicant must be in the process of preparing for- or closing an investment round with external investors (i.e. not EIT Food) of €200,000 at minimum within a clearly defined timeframe;
- None of the Exclusion Criteria must apply to the applicant, as outlined in article 3.2;
- The applicant must accept the EIT Food Impact Fund's Terms & Conditions.

### 3.2 Exclusion Criteria

Applicants will be excluded if they:

- are subject to an administrative sanction (i.e. exclusion);
- are in one of the following situations:
  - bankrupt, being wound up, having their affairs administered by the courts, entered an arrangement with creditors, suspended business activities or subject to any other similar proceedings or procedures under national law (including persons with unlimited liability for the participant's debts)
  - declared in breach of social security or tax obligations by a final judgment or decision (including persons with unlimited liability for the participant's debts)
  - found guilty of grave professional misconduct by a final judgment or decision (including persons having powers of representation, decision-making or control)
  - convicted of fraud, corruption, involvement in a criminal organisation, money laundering, terrorism-related crimes (including terrorism financing), child labour or human trafficking (including persons having powers of representation, decision-making or control)
  - shown significant deficiencies in complying with main obligations under a procurement contract, grant agreement or grant decision financed by the EU or Euratom budget (including persons having powers of representation, decision-making or control)
  - found guilty of irregularities within the meaning of Article 1(2) of Regulation No 2988/95 (including persons having powers of representation, decision-making or control)
- have misrepresented information required for participating in the EIT Food funding scheme or fail to submit such information;
- were involved in the preparation of the any documentation regarding this call or are involved in the evaluation process of this call and this entails a distortion of competition.
- Represents a conflict of interest with any of the current EIT Food portfolio companies.
- Purely commercial (e.g. such as import/export, distributors, resellers...) or consulting services companies without novel technology, products or IP, and one-person ventures are excluded.
- Ventures owned by EIT Food employees or members of EIT Food government bodies; and ventures in which EIT Food employees or members of EIT Food government bodies have an interest, are also excluded. EIT Food includes all CLCs of EIT Food and all governing bodies.

### 3.3 Investment Criteria

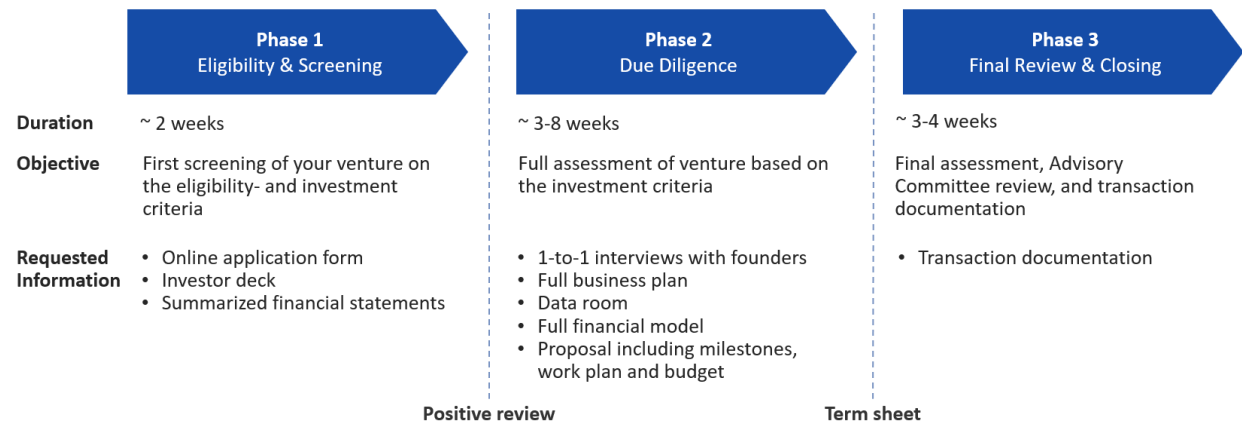
Only if eligible, applicants looking for early-stage funding (up to Serie A) will be evaluated based on the Investment criteria. These criteria will be applied according to company's maturity and phase (Launch, Accelerate, Scale). Selection will be based on the answers given in the online application, accompanying pitch deck, and subsequent documentation required as outline in Annex II. Evaluation process is further detail in the next Article (4. Application and Evaluation Process).

Investment Criteria for Access to Finance
<b>Impact:</b> The impact criterium includes the propensity of the team to strive for positive impact with the Agri & Food Industry, the extent to which this is/can be operationalized and the plan and size of the impact opportunity. (Weight: 1/10).
<b>Solution</b> (product or service): EIT Food will evaluate the presented innovation, added value, novelty and where it lies exactly, in comparison to the competing solutions. This section also will also score the strategy for knowledge management and protection. (Weight: 1,50/10).
<b>Go-to-market strategy:</b> GtM assesses the commercialization potential of the venture. This includes customer problem and opportunity and overall market potential, proposed business model, revenue model and current

momentum of market validation and/or traction. Further: regulatory and other barriers are assessed. (Weight: 2,50/10).
<b>Team:</b> The fit between the team and the proposition is assessed, as well as the team's overall leadership profile and structure, execution power and competitive advantage. (Weight: 3/10).
<b>Finance &amp; Fundraise:</b> Under F&F the financial strength of the proposition is assessed based on presented financial statements, unit economics of the business, and estimated funding to reach the next milestones. Further, fundraise potential is assessed based on current governance, strategy and status. The overall potential to generate returns is also assessed. (Weight: 2/10).

## 4. The Application & Evaluation Process

Eligible startups with an innovation project associated can be submitted their application online via email or through the annual application form to our EIT FOOD flagship programs. The process is the same for all applicants (including those from SeedBed, EIT FAN and RisingFoodStars or any other EIT Food associated program, including RIS). The structure of evaluation and the information required during the process is presented in the image below:



Throughout the screening and due diligence (Phase 1 and 2), selected candidates will be presented to the Advisory Committee, which will cast the final decision on the venture that are awarded the funding. Further details about the procedure for each phase can be found below.

### Phase 1: Eligibility & Screening

The online application form will be completed online on salesforce platform. Questions appear in Annex II. The online application includes the possibility to submit a company pitch deck. Based on the input on the application form and the pitch deck the applications are screened on the eligibility criteria. Applications that are found non-eligible will be informed of their ineligibility after that screening. Subsequently, all eligible applications will be subject to a second screening based on their performance on the investment criteria. To this end, eligible applicants will be requested to provide summarized financial statements to EIT Food. EIT Food and the Advisory Committee will decide after this screening which applications will be rejected, and which will be continued into phase 2.

**The pitch deck should include** at minimum a clear description of: customer problem, your solution, customer/market segment, (quantified) value proposition, USPs/benchmarking of your solution, IP status, opportunity, competitors (watch list), business model including revenue model and unit economics, roadmap including milestone planning.

**Duration Phase 1:** 2 weeks approx.

### Phase 2: Due Diligence

Applications selected for phase 2 are further assessed on their performance on the investment criteria. To that end, additional information on the venture is requested and reviewed (as listed in the image above). During this phase also one or more interviews with the founders of the venture are held, as well as optional external due diligence interviews with (potential) customers and partners. The applicant's Proposal is discussed (to verify added value, feasibility, and eligibility to HorizonEurope guidelines for spending the budget). The financial model should include a Profit & Loss statement, cashflow and balance sheet. These statements should cover the previous 2 years, current year and forecast for at minimum the following 3 years.

Information will be requested via email and will be treated confidentially as stated in our confidentiality policy.

During this phase, EIT Food will be in close communication with applicants to review their documentation and discuss questions.

If phase 2 is concluded positively, a term sheet will be signed between EIT Food and the applicant. Thereby EIT Food and the venture agree on the terms of the investment, and EIT Food. Last (due diligence) checks will be carried out in phase 3.

**Duration Phase 2:** 3-4 weeks approx.

### Phase 3: Final Review & Closing

If EIT Food decides to pursue the funding further, after positive outcome of phase 2, it will develop a memo for the Advisory Committee. In this memo, EIT Food will provide an overview of the venture, outcomes of the due diligence, the applicant's proposal, and the funding EIT Food plans to award the venture. During this phase, final items of due diligence can still be performed, e.g. review of legal documentation provided in the venture's data room. EIT Food will present its memo to the Advisory Committee, who will review the memo, discuss it and formulate a formal advice to the Management Board of EIT Food. The Management Board will make the final decision on granting the funding to the applicant. The Advisory Committee is composed of EIT Food staff as well as multiple external members.

During phase 3, EIT Food and the venture together will work together on finalizing the project plan and subsequently the amount of funding award, and the size of the tranches. EIT Food and the venture will also work together in completing the documentation necessary for completing the transaction, such as the Subgrant Agreement and the investment documentation. After a positive decision by the EIT Food Management Board, EIT Food and the venture will sign the final transaction documents, and the funding will be transferred to the venture. Note: at no point prior to a final and positive decision made by the EIT Food Management Board does EIT Food hold a commitment to provide funding to the applicant.

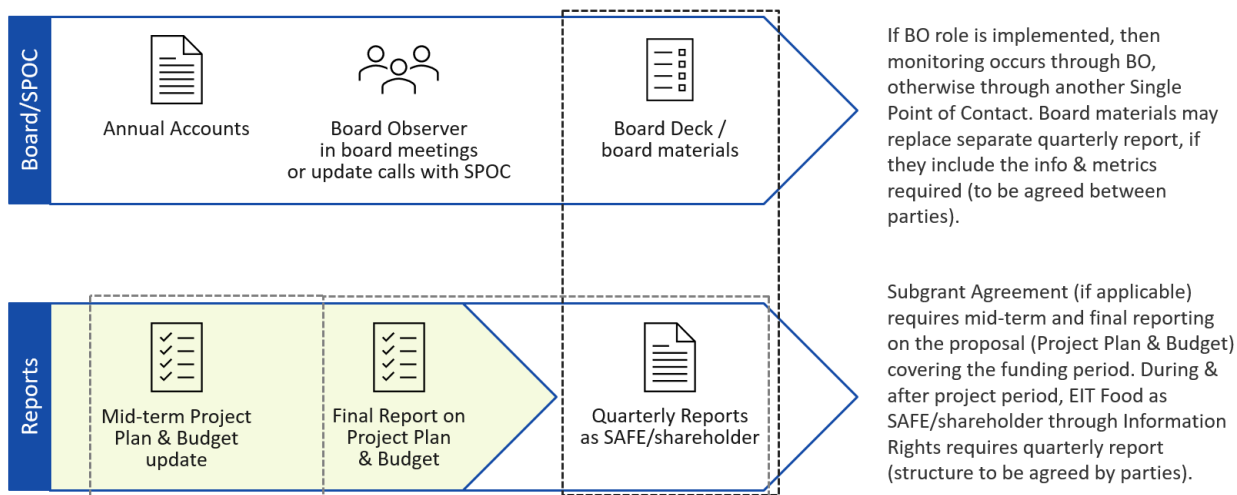
## 5. Monitoring & Reporting

After investment, a clear monitoring & reporting process is followed for EIT Food to:

- monitor progress and identify areas where it can best support portfolio companies
- meet its own reporting obligations towards EIT – a body of the European Union
- support portfolio companies in making sure funding is spent according to the cost eligibility guidelines. These guidelines will be shared during the evaluation process.

The monitoring & reporting process is summarized as follows:





  = only linked to project period / subgrant in 2020      = part of one joined report/effort

Full guidelines will be shared with the selected applicants, and they will be supported by EIT Food to make the reporting process as frictionless as possible.

## 6. IP rights and confidentiality

The applications submitted to EIT Food for the EIT Food Impact Fund are handled confidentially. Information submitted will be viewed on a “need to know basis” by a limited group of people within EIT Food. Submitted information will only be used for review purposes, and those reviewing the submitted information have confidentiality agreements in place with EIT Food.

Applicants retain full and exclusive ownership of their intellectual property rights, during and after the Funding Period.

## 7. Key dates

Activity	Date*	Comment
Open application process	Q2 2021- Q2 2022	<a href="mailto:Carla.ibanez@eitfood.eu">Carla.ibanez@eitfood.eu</a>
Screening of applications (phase 1) Due diligence of applications (phase 2) Final Review and Outcome notifications (phase 3)	Over the year	Timeframe dependent on number of eligible applications
Transfer of funding	Over the year	Outcome notifications for different selected applications will be made as they happen (consecutively)
Funding Period ends	August 2022	Expenditure
Reporting and admin	Q1 2023	Exact final reporting date yet to be set

\*Dates may change, but EIT Food will report them appropriately.

## 8. Privacy Policy and use of personal data

### Processing of personal data by EIT Food

Any personal data will be processed by EIT Food in accordance with the EIT Food privacy policy notice(s): <https://www.eitfood.eu/pages/privacy-policy>

#### **Processing of personal data by the participants**

The participants must process personal data in compliance with applicable EU and national law on data protection (including authorisations or notification requirements, if any), see the GDPR recommendations.

## 9. Other terms & conditions

### 9.1 Publicity – Visibility of the EU Funding

#### **Publicity by the participants**

The companies selected must support the promotion of EIT Food, by providing targeted information in a strategic and effective manner.

Unless EIT Food requests or agrees otherwise or unless it is impossible, selected applicants must:

- display the EIT Food logo with the EU emblem. When displayed together with another logo, the EIT Food logo and EU emblem must have appropriate prominence;
- include the following text: “EIT Food is supported by the EIT, a body of the European Union” on their web page.

For the purposes of their obligations, the selected companies may use the EIT Food logo and the EU emblem without first obtaining approval from EIT Food. This does not, however, give it the right to exclusive use. Moreover, they may not appropriate the EU emblem or any similar trademark or logo, either by registration or by any other means.

#### **Publicity by EIT Food**

EIT Food may publish the name of the funded companies, their origin, and its nature and purpose — unless they have requested to waive this publication (because disclosure risks threatening its security and safety or harm its commercial interest).

### 9.2 Security

The activities carried out with the funding must be carried out in compliance with Commission Decision 2015/444, i.e. security-sensitive information must be EU-classified, if its unauthorised disclosure could adversely impact the interests of the EU or of one (or more) of its Member States. Applications that are too security-sensitive cannot be admitted to the programme.

### 9.3 Conflict of Interest

The applicants must take all measures to prevent any situation where the impartial and objective award of the grant is compromised for reasons involving economic interest, political or national affinity, family or emotional ties or any other shared interest ('conflict of interest').

They must inform EIT Food without delay of any situation constituting or likely to lead to a conflict of interests and immediately take all the necessary steps to rectify this situation.

EIT Food may verify that the measures taken are appropriate and may require additional measures to be taken by a specified deadline.

### 9.4 Liability for damages

EIT Food cannot be held liable for any damage caused to the participants or to third parties as a consequence of the grant, including for gross negligence on the part of the beneficiary.

EIT Food cannot be held liable for any damage caused by any of the participants in the context of the grant.

## 9.5 Administrative sanctions

If a selected applicant has committed irregularities or fraud or has made false declarations as part of the application or if EIT Food finds a selected applicant is in serious breach of these Terms and Conditions, EIT Food may:

- exclude the participant from all future contracts, grants and contests financed from the EU or Euratom budget for a maximum of five years (or 10 years in case of repetition) and/or
- impose a financial penalty between 2% and 10% of the value of the grant (or between 4% and 20% in case of repetition).

## 9.6 Other conditions

- Applicants must meet the stated eligibility criteria and none of the exclusion criteria must apply to the applicant;
- The funding may only be used for activities outlined in the project plan and relevant to reach the project's objectives and cannot be used for pure basic research activities;
- EIT Food reserves the right to make reasonable amendments to these Terms and Conditions. Amendments and additions to these Terms and Conditions shall be valid if communicated in writing on the EIT Food website or otherwise made available to the applicants;
- These Terms and Conditions are governed by the laws of Belgium. Any disagreement or dispute which may arise in connection with these Terms and Conditions which cannot be settled amicably will be brought before the courts of Bruxelles, Belgium;
- To the maximum extent permitted by law, under no circumstances and under no legal theory whether in tort (including negligence) contract or otherwise shall EIT Food and the EIT Food partners involved in this activity be liable for any special indirect, punitive, incidental or consequential damages, including loss of profit.

## 10. How to get in touch

For more information regarding the EIT Food Impact Fund, please reach out to Carla Ibáñez at [carla.ibanez@eitfood.eu](mailto:carla.ibanez@eitfood.eu)

## 11. Q&A

### GENERAL QUESTIONS

- **What type of startups are we looking for?**  
The funding is open to European food & agri startups and scaleups that meet the eligibility criteria and are linked to one or more of EIT Food's three segments (Launch, Accelerate or Scale) in the last 3 years prior the submission of the funding/investment proposal.
- **What are the evaluation criteria and who will be making the assessment?**  
All the eligibility, exclusion and selection criteria are listed in the Terms & Conditions. The full evaluation process and required documentation, as well as the decision-making process, is outlined there as well. The evaluation is carried out by the investment team of EIT Food Business Creation, in collaboration with the Advisory Committee that includes independent external evaluators.
- **How much money will EIT Food invest?**  
EIT Food can provide funding up to €500,000, in one or two tranches. The exact amount depends on the proposal of the applicant (the project plan and budget) that is reviewed and discussed during the evaluation process.
- **Can EIT Food continue to invest during subsequent investment rounds?**  
By default, EIT Food will not reserve- or commit funding for subsequent investment rounds (two tranches of an investment are not considered as separate rounds). Subsequent funding provided to an existing portfolio company is possible, but only after a positive review from our advisory committee.

- **Does EIT Food require other investors (lead or co-investors) to participate in the funding round?**  
If the investment is structured as a SAFE (simple agreement for future equity), EIT Food does not require a lead investor, or other co-investors. On a case-by-case basis, EIT Food can decide to co-invest in an on-going equity investment round. In such case, EIT Food does require a lead investor in the round. This will be discussed on a case-by-case basis.
- **How will EIT Food continue working with and add value to startups it has invested in?**  
EIT Food selects startups that align with its mission and focus areas. EIT Food will support portfolio companies as much as possible to achieve their impact and economic objectives. Through a single point of contact (which can be the Board Observer – see below), EIT Food will provide access to its network of corporate partners, investors community, peers and several events organized throughout the year. They will enable (pilot) projects with (launching) customers, subsequent investments, and overall company development. Beyond such matchmaking, EIT Food will actively work with the team to strengthen their “partnership-readiness”, both to engage in collaborations with industry, as well as to be in a strong position to raise subsequent investments.
- **Will EIT Food appoint a board member?**  
EIT Food will not appoint a board member (i.e. board director). On a case-by-case basis (depending on e.g., the size of the investment), EIT Food can decide to appoint a non-voting Board Observer. Such Board Observer will be the SPOC and actively support the management of the startup.
- **What does the reporting look like?**  
Please see the Reporting chapter in this Terms & Conditions document. EIT Food will work with the founders to streamline the reporting process and turn this process into a value-added activity, while still meeting all reporting obligations.
- **Is the funding considered as public or private funding?**  
This assessment must always be made by the reviewing party. We would consider this as public funding, as the source of the funding is EIT – a body of the European Union.

## CRITERIA

- **I already got selected to another EIT Food program (e.g. SeedBed or Food Accelerator Network). Can I still apply for the EIT Food Impact Fund?**  
Yes, the EIT Food Impact Fund is open to any startup that meets the eligibility criteria. Please review the Terms & Conditions.
- **Can I apply for funding from the EIT Food Impact Fund if I am still being evaluated for another of the EIT Food programs (e.g. SeedBed, EIT FAN, RisingFoodStars)?**  
If you have not yet (previously) been selected into one of the EIT Food Business Creation programs, then you are not eligible for funding from the EIT Food Impact Fund. If you have previously joined one such program (e.g. SeedBed) and are now applying for another (e.g. EIT FAN), then you are already eligible, even before being accepted into EIT FAN. Also, EIT Food holds the possibility to organize an external call for applications, but this is not currently foreseen.
- **I already raised an investment round prior to applying for the EIT Food Impact Fund. Can I still apply?**  
Yes, you can. If you are preparing for a subsequent investment round and meet the other eligibility criteria, you are welcome to apply.
- **I’m applying for EIC Accelerator. Can I still apply here as well?**  
Yes. You can simply not use this funding as co-financing to any other (EU or other) funding or grant for this specific project.
- **Can we apply if our market is outside the EU?**  
Yes. What matters is where your venture (the legal entity applying for funding from the EIT Food Impact Fund) is based. This must be in an eligible country.

## ELIGIBLE COSTS AND SPENDING

- **Can startups use this money to pay staff wages?**  
Yes. The funding must be spent according to the Cost Eligibility criteria in the Terms & Conditions. The funding must be spent on innovation activities, which may include wages as long as the wages are directly

connected to work performed on innovation activities (e.g., R&D, product development, or market reconnaissance for specific products or services under development). Full cost eligibility guidelines will be shared with applicants during the evaluation process.

- **Can I use the funding for CAPEX (Capital Expenditures)?**  
Unfortunately, the funding cannot be spent on CAPEX – investments in assets that depreciate over a period longer than the funding period. Full cost eligibility guidelines will be shared with applicants during the evaluation process.
- **Can I co-finance other EU grants from this funding?**  
No, this funding can only be used for eligible innovation activities. Please review the Terms & Conditions for the cost eligibility criteria.

## TIMELINE AND APPLICATION/SELECTION PROCESS

- **Evaluation and selection procedure. How long does the evaluation take, which kind of information will be requested?**  
Please reference the Evaluation Process in this Terms & Conditions document.
- **How do you deal with potential conflict of interests and confidentiality when reviewing our material?**  
All measures to avoid conflict of interest will be taken and discussed. EIT Food Business Creation with external support where needed, and in close cooperation with the founders of the applying venture. Strict confidentiality will be applied following the Terms & Conditions.
- **When will it be announced which startups have been selected?**  
Announcements are scheduled to take place on a case-by-case basis. For an overview of the process and timelines, please reference the Evaluation Process, and the Key Dates in this Terms & Conditions document.
- **Do I have to include this funding in my financial statements?**  
No, the financial statements should not assume you succeed in attracting this funding. Of course, your financial statements (mainly the cashflow statement) should reflect the need for funding. That also applies to subsequent investment rounds, which should be foreseen in the financial statements/information.

## The SAFE

- **Why do you apply a SAFE?**  
The reason of choosing the SAFE, is because this instrument minimizes the costs and time required for founders and EIT Food in completing the transaction. As the SAFE converts in a follow-on investment, the main terms of an investment are determined during that round.
- **What kind of SAFE do you use?**  
We use a pre-money SAFE.
- **What are the terms of the SAFE? Can you share a template?**  
Please review the Terms & Conditions for the key terms of the SAFE. If your startup is selected to enter phase 2 of the evaluation process (due diligence), then the SAFE will be discussed with you in more detail. After positive outcome of the due diligence, a SAFE term sheet will be shared with you, outlining all the proposed terms of the SAFE.
- **If there is no investment round, will there still be a conversion?**  
If after 5 years there has not been a qualified equity financing then the SAFE will automatically convert based on the valuation cap.
- **Can the Qualified Equity Financing also be a convertible loan round?**  
No, it must be an equity investment round setting a valuation.
- **What legal entity will be listed on the cap table?**  
EIT Food ivzw.
- **Does a safe holder have a choice about converting a safe in an Equity Financing?**  
No, the conversion of a safe in an Equity Financing is automatic and the safe then terminates. A safe is intended to turn safe holders into stockholders.
- **How should I account for the SAFE in my balance sheet?**

The SAFE is a kind of indebtedness; thus, it should be accounted as a liability.

- **What corporate governance requirements do we have, to implement the SAFE?** The company's board of directors must formally consent to the issuance of the safes at a meeting or in a written consent before the company issues any safes. If there are existing shares of preferred stock outstanding, the company will also need to either (1) amend the company's certificate of incorporation to clarify that the safes are on par with the existing preferred stock in terms of liquidation prior.

## Annex I

### EIT's Focus Areas

1. Alternative Proteins: developing new/alternative protein sources through efficient and sustainable production and processing methods to yield high quality, safe, healthy, and sustainable products or ingredients for food and feed.
2. Sustainable Agriculture: helping increase crop and livestock productivity in a sustainable way to reduce the impact of food production on the environment and meet the growing food demand due to population growth.
3. Targeted Nutrition: adapting what we eat to traits such as age, gender, genetic make-up, microbiome features and disease state, and considering parameters such as lifestyle, allergies, food intolerances to promote, maintain or regain general wellness during every life-stage.
4. Sustainable Aquaculture: activities to drive the transition to sustainable practices in the farming of animals (including crustaceans, finfish and molluscs) and plants (including seaweeds and freshwater macrophytes) in both inland (freshwater) and coastal (brackish water, seawater) areas.
5. Digital Traceability: improving the safety, efficiency and sustainability of food and increase consumer trust, as well as contributing towards the digital transformation of the food system.
6. Circular Food systems: facilitating a shift from the current linear model (make, use, dispose) to a circular food system, implying the reuse of resources, reduction and (re)-utilisation of side and waste streams to prevent food loss and waste and to allow nutrient recycling and reduction in GHG emissions as well as water and land use.

## Annex II

1. I have read and approve of the Terms and Conditions of the EIT Food Impact Fund [ YES / NO ]
2. I am aware that the funding is linked to an investment mechanism [ YES / NO ]
3. Type of legal entity of the venture for which you are applying for funding (e.g. B.V., GmbH):
4. Date of registration of the legal entity (DD-MM-YYYY):
5. VAT number of your venture:
6. Is your venture a Small Enterprise as defined under the [EU recommendation 2003/361](#)? [ YES / NO ]
7. Website of your venture:
8. Please describe the value proposition of your venture (max. 100 words):
9. Stage of development of the company (E.g. “developing prototype and running pilot projects” or “product completed and generating first revenues”):
10. Please provide the total # of FTEs working in your venture currently, irrespective of their legal status (employee or freelancer):
11. Is your venture producing revenue? [YES/NO]
12. Total revenues of your venture in previous year:
13. Amount of investment raised by your venture since its creation to the current date, including loans and equity, not including grants, subsidies, and prize money:
14. What was the size of your latest funding round (loans and equity)?
15. What was the type of that last investment (E.g. accelerator, angel investor, venture capital, bank) and when was it closed?
16. Which of the six focus areas of EIT Food is most applicable to your venture and why?
17. What is total amount of funding you request from the EIT Food Impact Fund?
18. For what does your venture need the funding? Please summarize the activities for which the funding is needed:
19. Are you currently preparing for an investment round- or currently raising an investment round with external investors (i.e. not EIT Food)? [ YES / NO ]
20. Please describe the investment round (size, current status, type of investors):
21. What is the next- or what are the next main milestones to be completed within this year? (E.g. proof of concept, completed pilots, increased production capacity, cost-down, first revenues). Please explain:
22. What are the main risks and challenges you foresee to the long-term success of your venture?
23. Who are the founders and key managers of the venture? Please include prior experience, how key roles are divided and optionally provide links to LinkedIn profiles:
24. What expertise is missing within the current management team and what is the plan to address that?
25. Please upload your pitch deck or company presentation in PDF (taking into account the contents required as listed in the Terms & Conditions):
26. Is there any other relevant information you would like to provide? Please provide that information here: