



Accelerating early-stage equity funding
for promising healthcare start-ups

EIT Health Accelerator Investor Network Application Guidelines 2020

eithealth.eu/investornetwork

Apply now



EIT Health is supported by the EIT,
a body of the European Union

Always remember:

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

Wayne Gretzky

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

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Innostars regions Hungary, Italy, Poland and Portugal For more countries go to p.15	Ines Matias	ines.matias@eithealth.eu

Welcome

The EIT Health Investor Network aims to accelerate early stage fundraising of qualified healthcare companies by highlighting them to a pool of selected equity investors such as early stage VC's, Family offices, Angel Networks or Super Angels across Europe. If you have European ambition, we are here to make your cross-border funding journey easier and faster.

1.The Pitch: Purpose of Programme

The **Investor Network**, a programme of the EIT Health Accelerator pillar, addresses the issue of early stage fundraising across Europe to conquer health markets faster and better. It offers high potential start-ups in Biotech, Medtech and Digital health, the opportunity to be presented to a wide variety of private-equity investors such as Super Angels, Business Angel Networks, family offices, VCs or Corporate VCs, all of whom have all been invited to join after warm referrals and interviews. We currently have a pool of more than 70 institutional or private investors + 800 Angels across Europe.

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: March 2020

Submission deadline: 31st December 2020

(Applications can be submitted continuously throughout this period)

Selection decision: 3 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 applying. We request that applicants contact their regional EIT Health Business Creation Manager for guidance before applying. This will give you the opportunity to learn more about EIT H and what it has to offer. The regional contact may support the project owner in defining the appropriate actions to produce an application that fits the scope and goals of our program. You can also contact our operational team at info@eithealth-investornetwork.eu.

4. Is it for me? Eligible applicants and projects

The EIT Health Investor Network is suitable for innovative healthcare start-ups in Biotech, Medtech or Digital health which are based in Europe

The start-up must be incorporated/registered in Europe and looking to raise a minimum of EURO 500 K in the next months or year. The company must employ less than 50 persons and have an annual turnover or annual balance sheet total under EUR 10 million *@source EU definition of small enterprise*. The Proof of concept must be finalised or in the process of being finalised in this upcoming round.

Application must be submitted directly by the company and must not be under a broker contract.

The Funding:

If you are seeking private equity funding from €500 K to potentially €10M.

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. We encourage you to pursue alongside our network, your fundraising to ensure faster results since as you may know, you need to pitch in front of 30 investors on average to raise a Series A *@sourceYC*.

Please note that the perception of funding is generally altered by the coverage of only the small percentage of successful fundraising.

We do remind you that only 0,05 % of companies (all sectors) raise venture Capital *@sourcefundera* but by joining the **EIT Health Investor Network**, we can try to beat the odds together.

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](#) or go to page <https://eithealth.eu/project/investor-network/>

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 + your evaluators 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 : €
 - Run Rate: € (1-year sales projection based on 1st months sales)
 - Gross burn rate : monthly spendings
 - Net burn rate: (=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 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 Lifetime Value

- Story so far, future
 - Milestones achieved since start
 - Vision at 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 See Q/A
- Exit for investors

7. Evaluation and selection process

Once you have applied and paid the application fee (see point 8). Two international evaluators will be assigned to you. These evaluators are carefully selected for their healthcare and investment background and are specialist of each sector Biotech, Medtech or Digital Health. They will first review your application then invite you to attend a one-hour webcall to further discussions.

After this initial assessment, they will coordinate together to give their final evaluation for 18 items over a maximum of 100 % ([see details](#)) as well as comments regarding your strengths, weaknesses, investment attractiveness and recommendations . These feedbacks are considered very valuable by the companies.

90 % of the respondents of our satisfaction survey have rated the value of such an evaluation for their company to be Excellent or Above Average.

Here are testimonials from two evaluated companies:

“Efficient process with knowledgeable, relevant and credible reviewers”

“Allow me to express my appreciation to all EIT Health Team and Evaluators highly”

Our Selection process is as followed:

Evaluation Grid

Accepted	100%	Outstanding Business opportunity	Gold
	90-99%	Excellent	
	80 - 89 %	Good- sound plan but a few areas that need to be refined	
Not approved	70- 79 %	Above Average this project has some good areas but needs reevaluation)	Silver
	60-69%	Average some areas covered in details yet other areas show weaknesses	Bronze
	50- 60%	Below average	
	below 50 %	Poor	

- For those accepted with an entry score > 80 %, you are investor ready and considered a “Gold” Company and as such will benefit from our “Gold Program”. See page 12.
- For those accepted with an entry score ranging from 70 to 79 % the Silver Category, recommendations will be given in the one-page report. Though you will get access to our platform, we ask you to follow these recommendations before you asked to be reassessed to see if you can be moved to the Gold Category to access our Gold program. Indeed, we want you to be fully ready before being introduced to investors as first impressions are so important.
- For those not approved with an entry score ranging from 60 to 69 % The Bronze category, we will be happy to review the project free of charge in 6 months’ time and improvements.
- For those not approved with an entry score < 59 %, the company has been assessed as not sufficiently mature to enter our programme but please do not hesitate to reapply after a year and ask us for a 10 % discount voucher.

8. Cost of entry

The Submission of your application is 1000 € VAT included. It is payable through this link <https://www.weezevent.com/start-up-application>. You can request an invoice directly from the site.

This fee covers for all:

- a detailed review and assessment of your project by our evaluation team
- a one-hour web call with two healthcare investors, expert in either Biotech, Medtech, Digital Health carefully selected by our team throughout Europe.
- a one-page report filled with your evaluation grade, your strengths, recommendations, and an oral feedback post result
- Administrative follow-up of each application

In case of acceptance :

- A full one-year entry into the Investor Network
- Feature in at least one newsletter and one deal letter sent to all our investors
- Personalised push by our team towards selected investors. (Gold program)
- Invitation to pitch at various events in Europe or by webpitch (Gold program)
- Access to an individual interactive online progress table (Gold program)
- Access to the EIT Health Network, its partners and programs of mentoring
- A tool kit of documents to help you with your fundraising
- A pan-European Press release and communication campaign in case of successful Fund raising.

In case of non-acceptance: For results above 60 % the possibility to reapply after 6 months for free.

Silver/ Gold: please note that if our evaluators have graded you to be a "Silver company", it is important for you to follow the recommendations before we actively push you towards the investors as Gold. Indeed, it is important to use the one-shot we have with investors wisely. Trust us, if you still have some things to fine tune better do it before we activate our network for you.

9. Investors & Partners

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

Please find below the logos of some of our investors, though new ones join us every month and a few wish to remain anonymous. Also note that family offices and Super Angels are not mentioned here. We currently have more than 70 investors from 14 different countries. Once on the 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 info@eithealth-investornetwork.eu

Partners:

Among our investors, 3 are directly involved in the EIT Health Investor Network

Angels Santé (France) : Leader and European coordinator of the programme

One of the largest Angel Group in Europe dedicated to healthcare investment

Business Angels Connect (Netherlands)

A private-investor group in the health, chemistry and agri-food sector with cross-border expertise.

BAC is the Investor lead for the Benelux area

Genesis Biomed (Spain):

A consultancy firm in the biomedical healthcare sector specialized in providing consulting services to spin-off and start-up companies, entrepreneurs and research centers Genesis Biomed Ventures is our investor lead in Spain.

Some of our European investors:



Seed + Support + Succeed



GO BEYOND EARLY STAGE INVESTING

10. Next steps

Once your application is complete

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 and will specify that you have paid the 1000 euros application fee. It will be sent to you by Docusign for an easier e-signature. The MoU can be viewed upon request at info@eithealth-investornetwork.eu

The Toolbox 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 we will upload the required information (very similar to the application) and asked you to validate the information.
- Investors will be notified of your arrival and will review your profile.
- Please note that investors cannot be contacted directly by you but that introductions can be made by our team.
- We highlight your projects via various methods: deal letters, specific individual pushes, newsletters, webpitches, recordings..

11. Branding

As beneficiaries of EIT Health, all start-ups/scale ups/SMEs participating in EIT Health Accelerator programmes in 2020 are required to display EIT Health/EU co-branding on their websites. This applies to the Investor Network.

As such, if you have been supported actively by the EIT Health Investor Network ie invited to pitch during an international event (read more about our [2019 Pitch Competition](#), participate in one of our training sessions or if you have closed a round with at least one of our investors from our network) the branding rule applies to you. In the case of a closing (total or partial with us) your press release will mention the EIT Health Investor Network.

The co-branding always includes the following 3 elements:

- 1) The 'Accelerated by' EIT Health logo
- 2) The EU emblem

3) The sentence 'EIT Health is supported by EIT, a body of the European Union'.

You can download this logo combination as well other versions you may need [here](#). The co-branding should be placed in a visible location i.e. the header or footer of your website or on your partnership/investor page.

By using the EIT Health/EU co-branding on your website, you highlight your participation in the EIT Health network while also contributing to the visibility and growth of the European innovation community.

12.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).

InnoStars regions: Hungary, Italy, Poland and Portugal. They will also accept countries from the Regional Innovation Scheme (RIS) which currently include Estonia, Latvia, Lithuania, Czech Republic, Slovakia, Romania, Slovenia, Croatia, Greece. Each year more countries are added. Applicants from other EU Countries not listed are encouraged to contact the Innostars node.

- 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.

13. 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 called Proseeder will have signed the Investor Network 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.

Please ask us for our booklet about pre-money valuation, which is part of our entrance tool kit, at info@eithealth-investornetwork.eu

What are the points reviewed by the evaluators?

PROJECT (/30)	21
Value / interest of product or service (/5)	5
It is a disruptive solution or innovative at least (/5)	4
Development strategy (/5)	3
Business model (/5)	3
IP and entry barrier (/5)	4
Growth rate & long term peak sales ambition (/5)	2
MARKET (15)	12
There is a clear market need (/5)	5
Market opportunity (/5)	3
Positioning versus competition (/5)	4
MANAGEMENT (/23)	17
Management capability (potential, expertise) (/10)	7
Quality of advisors board (/5)	5
Ready to have investors in its governance (/5)	4
Slide deck and presentation quality (/3)	1
FUNDING (/20)	15
Sufficient level of grants & love money raised (/5)	3
Funds to specific & clear deliverables (/5)	5
Pre-money valuation (/5)	3
Investment potential / clear exit scheme (/5)	4
OVERALL IMPRESSION (/12)	7
Venture credible and sound	7

Your report will also include your evaluators assessment regarding your strengths, weaknesses, overall impression in terms of investment opportunity and recommendations for your next steps. These recommendations are of great value, both for you and our team as we can better help you get prepared before facing investors.

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

Investors receive a great number of projects 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. You also have the opportunity to request a recording of your pitch to be dispatched to all investors as well as to book space in one of our newsletters to allow you to share your most recent news. Please note the 98 % of our start-ups visible on the platform have been, at least, been viewed by one or more investors. We also organised regular investor lounges across Europe and you may be invited to attend and pitch.

See an example here: <https://youtu.be/TOYDIO25L0Y>

Have any companies raised funds within the Network?

During our first year we have had many due diligences, two official closings + another currently closing. This year in 2020, 3 companies from our network have so far closed rounds for more than 15 M€.

Here are a few Press releases

Teiacare raises 1.1 M€ Wefight raises 1.8 M€ Tubulis raises 10.7 M€ Inheart raises 3.8 M€

Please note that the perception of funding is generally altered by the coverage of only the small percentage of successful fundraising.

It is a difficult road and we do remind you that only 0,05 % of companies (all sectors) raise venture Capital. *@source fundera* so by joining us, we can beat the odds together !

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

To conclude

**“Believe you can and
you are halfway there”**

Theodore Roosevelt

Thank you for your interest in the
EIT Health Investor Network

TO APPLY

For any further enquiries; please contact the [EIT Health Investor Network Team](#)