



**CALL FOR PARTNERSHIP IN AGRIFOOD  
TECH CO-INVESTMENTS**

*SPECIFICATIONS FOR THE CALL*

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## 1. OBJECTIVE FOR CALL-FOR-PARTNERSHIP

- 1.1 SEEDS Capital (SC), the investment arm of Enterprise Singapore, is calling for co-investment partners to groom Singapore-based startups in Agrifood tech.
- 1.2 In-line with SC's mandate to catalyse private smart monies into startups with disruptive technologies and solutions, SC is seeking partners who can:
  - Identify and co-invest in Singapore-based, deep tech and early-stage startups in the Agrifood tech space;
  - Value add to startups, helping investees to commercialize and expand globally through the partners' expertise and strategic networks in areas such as technology development, commercialization and market expansion.
- 1.3 As part of Enterprise Singapore's vision to develop the Singapore Food Manufacturing sector into a leading food and nutrition hub in Asia by 2025, it is partnering SEEDS Capital to grow startups in the area of Agrifood tech. Grooming innovative and scalable local startups in the Agrifood tech space will help to shape the future Agrifood industry ecosystem, create globally competitive Agrifood companies and nurture future market leaders.
- 1.4 Agrifood tech refers to technologies and innovations that can improve the efficiency and sustainability of our food supply chain from farm to fork. To produce 50% more food to feed 9 billion people by 2050, innovation is critical to develop sustainably grown food products that can serve the population's dietary and nutritional needs.

## 2. BACKGROUND

- 2.1 This is an initiative under Startup SG Equity and co-investments with SC into Agrifood tech space will fall under the Urban Solutions & Sustainability (USS) domain area. USS is a deep tech domain area under the Research, Innovation and Enterprise (RIE 2020) plan.
- 2.2 SEEDS Capital will commit funding to be matched by private capital raised by the co-investment partners, to jointly identify, invest into and grow viable companies with core activities anchored in Singapore.
- 2.3 Co-investments into eligible startups will follow the enhanced government co-investment scheme under Startup SG Equity. For more details on the co-investment parameters under Startup SG Equity, please refer to **Annex A** as well as the <http://www.startupsg.net/startupsg-equity/> webpage.

### **3. ELIGIBILITY**

- 3.1 The call is open to all interested local and foreign parties with operations based in Singapore, who are able to demonstrate financial commitment, resources, domain expertise and experience to nurture innovative startups with core activities anchored in Singapore.
- 3.2 Applicants must demonstrate strong track record, Agrifood domain expertise and experience in commercialisation or early stage investment in Agrifood tech. Applicants should be able to identify, groom, and provide developmental & business strategy support to Agrifood tech startups, creating further value or commercial outcomes from Singapore.
- 3.3 Applicants must demonstrate access to funding and have strong decision making & fund management process. Applicants must have ready, deployable funding to invest directly into startups, and demonstrate access to industry networks/funds to help investees with subsequent funding. Applicants must perform due diligence and have clear governance structure for investment decision-making.
- 3.4 Corporates and consortia formed by groups of partners with expertise in the various functions of identifying, financing and growing startups are also welcome.

### **4. EVALUATION CRITERIA**

- 4.1 To become appointed as SC's co-investment partners, applicants will be evaluated based on the following criteria:
  - a. Capability of Management Team**
    - i) Knowledge, experience, and track record in Agrifood industries
    - ii) Ability and commitment to adopt a hands-on approach with the startups' operations
    - iii) Successful commercialization or follow-on financing among startups incubated/invested
  - b. Access to Commercialization Resources**
    - i) Expert advisors supporting business and technical development
    - ii) Local and overseas partnerships in the Agrifood industries
    - iii) Able to facilitate startups' in-market opportunities in local and regional/international markets
  - c. Developmental & Economic Contributions**
    - i) Alignment to Agrifood sector development
    - ii) Willingness to deepen local fund management footprint
    - iii) Ability to help startups to create further value or commercial outcomes from Singapore

**d. Access to Dealflow**

- i) Dealflow companies are typically built on proprietary & innovative tech, research, or business models
- ii) Demonstrates clear strategy to find potential leads for incubation/investment
- iii) Able to help facilitate the entry/anchoring of foreign Agrifood tech startups in Singapore

**e. Access to Funding**

- i) Investment capital for deployment into investees
- ii) Demonstrates value-add to invested/incubated companies in terms of financing & networks

**f. Decision Making & Fund Management Process**

- i) Due diligence and governance on investment decision-making
- ii) Checks and balance in place to mitigate potential conflicts of interest

4.2 Please refer to **Annex A** for details on other relevant conditions and the responsibilities of the co-investment partner to SC.

**5. PANEL EVALUATION OF APPLICATIONS AND APPOINTMENT OF PARTNERS**

5.1 SC may request additional information from applicants in order to supplement the information provided. Applications will be assessed by an evaluation panel<sup>1</sup> against the abovementioned evaluation criteria. Only applications that meet the mandatory criteria may be invited to present to the evaluation panel. The final decision on the appointment of co-investment partners will be based on the panel's inputs.

**6. PROPOSAL SUBMISSION AND TIMELINE**

6.1 Submissions should be made between 10 September 2018 to 5 October 2018, with the proposals drafted based on the Proposal Guide in **Annex B**.

6.2 Applications and any supporting documents can be submitted in softcopy. Proposals must be submitted via email to [cfp\\_ssge@enterprisesg.gov.sg](mailto:cfp_ssge@enterprisesg.gov.sg) by 1700h on 5 October 2018 (Singapore time). The email should bear the following subject heading, "Call for Proposal – Agrifood tech Co-Investment Partners - <insert Co-Investment Partner's name>".

6.3 The applicant is responsible for ensuring their application is complete and accurate and submitted before closing time. SC may request for clarification or additional information from the application that does not alter the substance of

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<sup>1</sup> The evaluation panel will be made up of representatives from relevant private-sector segments and government agencies.

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an application in response to an omission or error. However, SC is not bound to accept any additional information, or requests to change submissions, from an applicant after the application closing time.

**7. ENQUIRIES**

- 7.1 For further information, please contact us via [cfp\\_ssge@enterprisesg.gov.sg](mailto:cfp_ssge@enterprisesg.gov.sg) with the subject 'CFP 2018 Enquiry'.

## TERMS AND CONDITIONS FOR CO-INVESTMENT

Term	Description		
Co-investment amount and ratio per Startup SG Equity parameters <sup>2</sup>		General Tech	Deep Tech <sup>3</sup>
	Investment Cap for each startup	S\$2 million from SC	S\$4 million from SC
	Co-investment ratio for first institutional round	7:3 up to S\$250k from SC, 1:1 thereafter up to S\$2 million from SC	7:3 up to S\$500k from SC, 1:1 thereafter up to S\$4 million from SC
Qualifying set-ups	<i>Covered in Section 3 – Eligibility (Page 4)</i>		
Qualifying Investees <sup>4</sup>	<ul style="list-style-type: none"> <li>• Singapore-incorporated company with core activities (R&amp;D, manufacturing etc) carried out locally</li> <li>• Incorporated as a Private Limited company for less than five years</li> <li>• Have paid-up capital of at least S\$50,000</li> <li>• Be able to prove substantial innovative and intellectual content for its products and/or services and applications</li> <li>• Have high-growth potential with clear scalability for the international market</li> <li>• Business must not be involved in the following business activities: gambling, tobacco-related products, or any other activities which are in violation of law, or against public interest</li> <li>• Company cannot be a subsidiary or joint-venture</li> </ul>		
Co-investment period with SC	<ul style="list-style-type: none"> <li>• A total of 7 years from appointment: First 4 years to co-invest into new companies; subsequent 3 years for follow-on investments</li> </ul>		
Profit sharing incentive	<ul style="list-style-type: none"> <li>• Where the Co-Investment Partner has led SC to a successful exit in an investee company, SC will share 70% of SC's profits<sup>5</sup> upon exit, i.e. 70% profit-share.</li> </ul>		
Deliverables	<ul style="list-style-type: none"> <li>• Applicant to propose overall deliverables according to the following indicators: <ul style="list-style-type: none"> <li>○ Amount of funds to be allocated from SC (up to S\$8 mil)</li> <li>○ Cumulative number of startups to be invested yearly, including at least one startup by the end of 2019</li> </ul> </li> </ul>		
Key responsibilities of co-investment partner to SC (extracted & summarised from	<p><b><i>The following are key points of the partnership that applicants should note.</i></b></p> <p><b>Role of co-investment partner (“partner”)</b></p> <ul style="list-style-type: none"> <li>• Share dealflow, conduct thorough due diligence of startups and surface eligible startups for SC's co-investment.</li> </ul>		

<sup>2</sup> Please refer to <http://www.startupsg.net/startupsg-equity> for more details.

<sup>3</sup> General traits exhibited by a deep technology startup include, but are not limited to: (1) Product is built around unique, differentiated, often protected or hard to reproduce technological or scientific advances; (2) High barrier to entry and high cost of bringing ideas or products to market; and (3) Long commercialisation period (typically more than 3 years).

<sup>4</sup> Please refer to <http://www.startupsg.net/startupsg-equity> for the most up to date criteria.

<sup>5</sup> Profits calculated by taking SC's proceeds of sale from the investee company against the cost of SC's investment in the investee company.

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<p>full set of terms &amp; conditions of partnership – to be provided upon request)</p>	<ul style="list-style-type: none"><li>• Declare to SC, any relationship or shares held in surfaced dealflow</li><li>• Actively value-add to, mentor and grow investees</li><li>• Represent SC’s investment and reputational interests</li></ul> <p><b>Investment terms &amp; process</b></p> <ul style="list-style-type: none"><li>• Ensure that SC has investment terms <i>pari passu</i> to the partner</li><li>• Ensure that investee seeks SC and partner’s prior consent before moving any core/management activities outside of Singapore</li><li>• Submit to SC the partner’s due diligence &amp; valuation report, and minutes of investment committee (IC) meeting</li><li>• Enable SC to hold an observer seat, and partner to hold at least 1 Director seat in investees’ Board</li><li>• SC’s decision to co-invest will rely on partners’ recommendation, but SC is not obliged to co-invest in non-qualifying startups</li></ul> <p><b>Divestment or follow-on investments</b></p> <ul style="list-style-type: none"><li>• Not exit from investees before SC, unless with SC’s prior consent</li><li>• Ensure that SC has exit terms <i>pari passu</i> to the partner</li></ul> <p><b>Governance &amp; decision-making</b></p> <ul style="list-style-type: none"><li>• Partner to have an independent IC, and mitigate any conflict of interest in investment decision-making</li><li>• Partner’s IC to have at least one independent member</li></ul> <p><b>Portfolio monitoring &amp; updates</b></p> <ul style="list-style-type: none"><li>• Provide quarterly updates to SC on dealflow and investees</li><li>• Investees should provide financial statements, management reports/accounts, and business update/plans to SC</li></ul>
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## PROPOSAL GUIDE

Proposal to comprise of:

- 3-page Executive Summary (not to exceed 5 pages), based on template below
- Full proposal with supporting information, in any preferred format (e.g. investor deck)

## I. Executive Summary: Basic Information

<b>Name of applicant:</b>	
<b>Key contact details:</b>	Name, email, contact number
<b>Sub-sectors of interest in Agrifood tech (if applicable):</b>	
<b>Co-investment funding requested from SC:</b>	
<b>Proposed deliverables:</b>	As outlined in Annex A “Deliverables”. (E.g. Estimated no. of startups to invest in annually)
<b>Access to funding (Select Yes/No):</b>	<u>Yes / No</u> : Has fundraised or has received funding commitments, with funding available for deployment by Q1 2019.  <u>Yes / No</u> : Has some networks to investors with ability to fund/value-add to startups through connections/expertise.
<b>Proposed decision making and fund management process (Select Yes/No):</b>	<u>Yes / No</u> : Makes or plans to make direct investments into investees.  <u>Yes / No</u> : Has existing structure or process for due diligence and investment approval in place.  <u>Yes / No</u> : Investment Committee includes at least 1 independent member.
<b>Fund size &amp; fund life:</b>	Funding available, fund life and investment period.
<b>Fund source(s) &amp; working model:</b>	How the fund is set-up, due diligence & decision-making structure, target financial returns/IRR, exit strategies. (If available, please provide key details on status of funding commitments in Appendix, e.g. Letters of Intent received, LP agreement signed, etc.)
<b>MAS license (if any):</b>	MAS license for the fund management company

## II. Executive Summary: Highlight of Proposal

Note: Supporting information should be furnished in the Full Proposal or as appendix to the proposal

Item	What applicants should highlight here
<b>Management team &amp; partners:</b>	- Core (full-time) management team, and key mentors/partners. - Local presence and Singapore-based personnel.
<b>Highlight of investment / industry track record (if applicable):</b>	- Entrepreneurship or startup investment/mentorship experience and track record amongst key members of the management. - Experience in the Agrifood industry amongst key management. - Commercialisation outcomes, follow-on financing and exits among incubated/invested startups.

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<b>Access to commercialisation resources:</b>	<ul style="list-style-type: none"><li>- Local &amp; overseas business networks in specified geographies, know-how to facilitate market leads/links, tap market opportunities.</li><li>- Strategic industry partnerships, support for startups in technical areas, expert advisors on regulatory compliance, lab facilities, etc.</li></ul>
<b>Developmental &amp; economic contribution:</b>	<ul style="list-style-type: none"><li>- Key areas to help startups to create further value or commercial outcomes from Singapore within a specified timeframe.</li><li>- How applicant has set-up/is deepening its local presence.</li></ul>
<b>Access to dealflow:</b>	<ul style="list-style-type: none"><li>- Key sources of local/foreign dealflow, including formal tie-ups with industry, universities and research entities.</li><li>- For foreign dealflows, highlight how startups may become anchored in Singapore (e.g. financing network, commercialization).</li></ul>
<b>Reference:</b>	Include contact of individuals from the investment community, or startups previously engaged to strengthen the submission.

### **III. Full Proposal**

In-line with the eligibility and evaluation criteria mentioned in Section 3 and 4 (Page 4 and 5), applicants are encouraged to furnish the full proposal, including supporting details, in any preferred format, e.g. investor presentation deck, word doc.