



CO-INVESTMENT PARTNERSHIP UNDER STARTUP SG EQUITY

INFO-PACK FOR PARTNERSHIP

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1. OBJECTIVE FOR CO-INVESTMENT PARTNERSHIP

- 1.1. As the investment arm of Enterprise Singapore, SEEDS Capital (“SEEDS”) invests into Singapore-based technology startups that are pioneering scientific and engineering solutions with strong intellectual content and global market potential. Our focus sectors are Advanced Manufacturing, Pharmbio/Medtech, Agrifood Tech, Sustainability (such as Energy, Circular Economy, Urban Mobility, Water), Spacotech, Quantum technologies, and other emerging sectors.
- 1.2. Through co-investment partnerships, SEEDS aims to provide leverage and de-risk investments to catalyze more early/ early-growth stage financing rounds for deep-tech, Singapore-based startups. SEEDS is one of the appointed fund managers for the StartupSG Equity (SSG-E) scheme¹.
- 1.3. In 2023, Singapore was the top startup investment destination in Southeast Asia², with deep tech deals increasing by more than 30% year on year, reflecting Singapore’s resilient deep tech landscape despite the global funding downturn. At the same time, the startup and innovation ecosystem has gained maturity, shifting towards deep tech deals² such as precision medicine (driven by the increasing demand for personalised healthcare), and climate tech (strong tailwinds from growing investor interest in sustainability-related investments).
- 1.4. Continuing on this momentum, SEEDS is seeking strategic partners, who have the ability to lead funding rounds, and possess strong record, expertise and capabilities in the following areas:
 - a) **Track record of investing in Deep Tech:** Experienced in identifying and backing founders commercialising Emerging / Disruptive Technologies with transformative potential.
 - b) **Technical and Domain Expertise:** Specialised knowledge and capabilities related to Advanced Manufacturing, Pharmbio/Medtech, Agrifood Tech, Sustainability (such as Energy, Circular Economy, Urban Mobility, Water), Spacotech and Quantumtech to help startups navigate technical challenges and drive innovation.
 - c) **International Networks:** Global networks to facilitate market entry and expansion.
 - d) **Early Growth Investment Capabilities:** Ability to lead Series B/ C rounds to support scaling of Deep Tech startups’ commercialisation efforts.
- 1.5. SEEDS has also increased its investment cap for deep tech startups to S\$12 million (from the previous S\$8 million) and is expanding co-investments beyond early-stage startups to include those in later growth stages (refer to Table A for details on the co-investment parameters). This will accelerate and sustain the growth of deep tech startups, which typically have a longer path to commercialisation and require patient capital.

¹ Startup SG Equity catalyses private-sector investment for startups through government equity co-investment. Please refer to www.startupsg.net for more details.

² Singapore ended 2023 with a total deal volume of S\$8.5 billion across 522 deals. Source: Singapore Venture Funding Landscape 2023

Table A: Co-investments matching ratios

	General Technology	Deep Technology³
Investment cap for each startup	S\$2M	S\$12M
Investment ratio (Government : Private sector)	<i>First institutional round and before</i>	
	7:3 up to S\$250K	2:1 for <S\$1M
	1:1 thereafter up to S\$2M	
	<i>Second institutional round and onwards</i>	
	1:1 up to S\$2M	1:1 up to S\$4M 1:2 for S\$4M – <S\$8M 1:3 for S\$8M – <S\$12M

Illustration:

E.g. For SEEDS to co-invest S\$10M into a Deep Tech startup's second institutional round:

Co-investment ratios (Govt: Private sector)	VC Partner (S\$)	SEEDS (S\$)
1:1 up to S\$4M	4M	4M
1:2 for S\$4M – <S\$8M	8M	4M
1:3 for S\$8M – <S\$12M	6M	2M
Total investment	18M	10M

2. ELIGIBILITY

- 2.1. Applicants should be institutional investors, such as venture capital (VCs) fund managers, corporate venture capital arms (CVCs). Applicants must not be insolvent, not be involved in any litigation in Singapore or overseas, not been convicted in a court of law of any offence, and not involved in any criminal or civil proceedings.
- 2.2. Applicants should ideally have a local presence in Singapore, and must be able to demonstrate financial/ funding commitment, resources, domain expertise and experience to nurture innovative startups with core activities anchored in Singapore.
- 2.3. Applicants must have the experience and track record in investing into specific deep tech sectors/ domains, leading funding rounds and playing active roles post-investment.
- 2.4. Applicants would be assessed on the strength of their fund performances, experience of key principals, ability to value-add to companies post-investment, access to deal

³ Deep Tech startup refers to one whose business model is built critically around proprietary technologies, research or hardware, and for which significant developmental efforts, such as product design and prototyping, product testing, clinical trials etc. are needed before the product is ready for sale. The 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 gestation period (and corresponding commercialisation period) due to years spent in the laboratory validating the science and derisking the technology.

flow, robustness of decision-making and fund management processes, and ability to contribute to the sectors they invest in and the overall startup ecosystem in Singapore (see **3. Evaluation Criteria** for more details).

3. EVALUATION CRITERIA

3.1. Applicants will be evaluated based on:

3.1.1. Experience and track record in investing into specific sectors/ domains and deep tech focus

- i) Alignment with SEEDS deep tech investment domains: Advanced Manufacturing, Pharmbio/Medtech, Agrifood Tech, Sustainability (such as Energy, Circular Economy, Urban Mobility), Spacotech, Quantumtech, and other emerging sectors.

3.1.2. Experience in leading rounds and playing active roles post-investment

- i) Experience in leading rounds, especially for deep tech startups
- ii) Active involvement post-investment, e.g. taking Board seat post-investment

3.1.3. Access to funding

- i) Has fundraised or has received funding commitments, with funds ready for deployment

3.1.4. Fund performance / key principals experience & track record

- i) Financial returns (e.g. IRR, MOIC, DPI) and successful exits
- ii) Knowledge, experience, or track record of the management team in the relevant industries

3.1.5. Value-add to company (value creation)

- i) Resources to support business and technical development
- ii) Local and overseas partnerships in the relevant industries
- iii) Able to facilitate startups' in-market opportunities in local and regional/international markets
- iv) LP base/mix beneficial to the startups
- v) Experience/ networks to syndicate funding rounds

3.1.6. Access to deal flow

- i) Dealflow companies should be Singapore-based and typically built on proprietary & innovative tech, research.
- ii) Demonstrates clear strategy to find potential leads for incubation/investment, e.g. connections with Institutes of Higher Learning (IHLs) and Research Institutes (RIs), experience in venture building
- iii) Able to help facilitate the anchoring of foreign tech startups from relevant sector in Singapore

3.1.7. 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
- 3.1.8. Value to specific sector & overall SG ecosystem
- i) Alignment to relevant sector development
 - ii) Ability to help startups to create further value or commercial outcomes from Singapore
- 3.2. Please refer to **Annex A** for details on the other relevant conditions.

4. PANEL EVALUATION OF APPLICATIONS AND APPOINTMENT OF PARTNERS

- 4.1. SEEDS may request additional information from applicants to supplement the information provided. Applications will be assessed against the above-mentioned evaluation criteria.
- 4.2. The final decision on the appointment of co-investment partners will be determined by the Evaluation Panel⁴.

5. PROPOSAL SUBMISSION AND TIMELINE OF EVENTS

- 5.1. Applications and any supporting documents should be submitted via email to cfp_ssge@enterprisesg.gov.sg by **1700h on 11 September 2024 (SGT)** alongside the “Executive Summary Template” found in Annex B. The email should bear the following subject heading, “SEEDS Capital SSG-E Partnership - <insert Applicant name>”.
- 5.2. SEEDS is not bound to accept any additional information, or requests to change submissions, from an applicant after the application closing time.

ANNEX A

⁴ The Evaluation Panel will comprise of private sector and government representatives.

CRITERIA, TERMS AND CONDITIONS FOR CO-INVESTMENT PARTNERSHIP

Term	Description
Qualifying investees	<ul style="list-style-type: none"> • Be a Singapore-registered, private limited company incorporated for 10 years or less, and possesses innovation in Singapore⁵ • Significant core activities in Singapore, such as HQ, R&D, high value manufacturing. • Be able to prove substantial innovative and intellectual content for its products and/or services and applications • Have high-growth potential with clear scalability for international markets
Co-investment period with SEEDS	Up to 7 years from appointment
Profit-sharing by SEEDS	Where the Co-Investment Partner has led SEEDS to a successful exit in an investee company, SEEDS will share a portion of SEEDS' investment profits ⁶ upon exit.
Prior interest/ conflict of interests	<p>Appointed Partner should declare any relationship, connection, association or dealing it or any of the other investors may have with any of the Investee Company invested or to be invested.</p> <p>For co-investments into companies where the Appointed Partner has had prior interest, SEEDS reserves the right to decline co-investing, particularly if conflicts of interests are not adequately mitigated. If SEEDS does proceed to co-invest with the Appointed Partner into companies where it has a prior interest, SEEDS reserves the right not to profit-share with the Appointed Partner.</p>
Due diligence	Appointed Partner shall ensure reasonably thorough and satisfactory due diligence of a potential Investee Company is conducted, and shall provide due diligence, valuation reports and other relevant opinions to SEEDS together with the investment proposal/ recommendation.
Governance	Appointed Partner shall provide for the Investee Company to provide for reserve matters that will include that the prior written consents of SEEDS and the Appointed Partner will be required before the Investee Company moves its Headquarters or relocate high value business functions/ activities such as core R&D and manufacturing outside of Singapore.

⁵ Innovation refers to any one of the following activities taking place in Singapore: (i) Develops, produces or commercialises technology products, services or platforms; (ii) Holds a patent registered with an approved national intellectual property institution; or (iii) Has an ongoing research collaboration with a research institution (contract of services is not considered to be research collaboration).

⁶ The profit is based on net proceeds from the divestment of shares after deduction of all transaction-related costs incurred by SEEDS and deduction of the principal amount invested

	Appointed Partner shall appoint at least one Director to the Board of Directors of each Investee Company, and SEEDS shall be given an Observer seat on the Board of Directors.
Post-investment support	Apart from financing, the Appointed Partners should support startups with their networks and resources, including access to new markets, talent, customers/ BD and provide technical and business advice.
Portfolio monitoring	Appointed Partner should have regular discussions with SEEDS on the performance on the Investee Companies in the portfolio, including details on their management and / or audited financial accounts, activities / milestones accomplished, problems encountered, and estimation of the Fair Value of the investment.
Divestment/exit	If the Appointed Partner decides to fully or partially exit from any Investee Company, it shall notify and ensure that SEEDS has the right to co-sell and to divest together, as the case may be, on the same terms and at the same price.
Contributions to Singapore's startup ecosystem	Appointed Partners are expected to partake in activities/initiatives as follows (not limited to): knowledge and experience sharing through participation in committees or panels or meeting with ecosystem players, mentor Singapore based startups / founders, and engage in periodic discussions with the Singapore government on how to enrich the Singapore startup ecosystem.

EXECUTIVE SUMMARY: SEEDS CO-INVESTMENT PARTNERSHIP

Instructions for applicant:

- Please complete the Executive Summary template below. You may wish to supplement the Executive Summary information with annexes and supporting documents. The Executive Summary should not exceed 5 pages.
- SEEDS reserves the right to decline applications that do not adhere to this template.
- Applications should be emailed with subject title "SEEDS co-investment partnership: <applicant name>" to CFP_SSGE@enterprisesg.gov.sg

SECTION 1: BASIC INFORMATION

Name of Fund Manager:	<i>XXX Pte. Ltd.</i>
Overview/Background of Fund Manager:	<i>Short introduction on applicant</i>
Contact details:	<i>Key persons' emails, contact number and office address</i>
Location:	<i>Singapore or otherwise</i>
Key focus domain(s) / sector(s)	<i>E.g. Sustainability, Agrifood, Health Biomedical, Advanced Manufacturing, Advanced Materials, etc.</i>
Profile:	<i>E.g. Venture Capital / Venture Builder / Corporate Venture Capital / Family office</i>

SECTION 2: HIGHLIGHTS OF PROPOSAL

Fund Manager's track record in investing into specific sectors/ domains and deep tech focus	No. of years investing into startups:	
	No. of deals invested (especially deep-tech):	<i>E.g. XX (of which XX are deep-tech)</i>
	Total quantum invested (S\$):	<i>E.g. S\$XX (of which S\$XX into deep-tech)</i>
	No. of rounds led	<i>E.g. Led XX rounds across XX deep-tech startups (including new and follow-on)</i>
	Do you typically take a Board seat post-investment?	<i>E.g. Yes, Board seat for XX% startups invested into.</i>

	You may wish to highlight your top 3-5 deals below:						
	Company name	Domain/ Tech area	Stage	Deep tech ⁷ (Yes/ No)	Investment quantum (S\$)	Lead? (Yes/ No)	Board seat? (Yes/ No)
	ABC Pte. Ltd.	Agfood	Series A	Yes	S\$1m	Yes	Yes
	To insert more rows as needed						
Access to funds	Number of active funds:				E.g. XX funds totalling US\$XXm		
	Dry powder for deployment:				E.g. US\$XXm from fund Y		
	Fund-raising status:				E.g. Currently raising US\$XXm fund Y, first close of US\$XXm expected in XX 2024/2025		
Fund performance(s)	<ul style="list-style-type: none"> - Fund performance/ return, e.g. IRR, MOIC, DPI - Examples of successful exits from your portfolio, especially deep-tech startups, including details of the investment (stage, amount invested, etc.), financial returns (return on investment, multiple on invested capital) and outcome of the investment (acquisition, IPO, etc.) 						

⁷ Deep Tech startup refers to one whose business model is built critically around proprietary technologies, research or hardware, and for which significant developmental efforts, such as product design and prototyping, product testing, clinical trials etc. are needed before the product is ready for sale. The 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 gestation period (and corresponding commercialisation period) due to years spent in the laboratory validating the science and derisking the technology.

Key Principals' experience & track record	<ul style="list-style-type: none"> - Overview of the team's experience (key Principals and team members), including experience in VC, PE, or industry-specific expertise. Investment-related, mentorship, thought leadership should be highlighted.
Access to dealflow	<ul style="list-style-type: none"> - Dealflow and sourcing strategy - Experience in helping foreign tech startups establish a presence in Singapore - (For venture builders) Elaborate on the structure, objectives, and the types of startups you support through your venture build program
Decision making & fund management process	<ul style="list-style-type: none"> - Due diligence framework and process (provide a sample due diligence report and/or investment memo) - Composition of your Investment Committee (IC) & role of each member in the IC - Decision-making matrix for investment decisions, i.e. prioritizing return, risk, and impact, majority vote - Governance framework to mitigate conflicts of interest (COI) and compliance with ethical standards
Value-add to company (value creation)	<ul style="list-style-type: none"> - Examples of support to investees, e.g. access to commercialisation resources, internationalisation - Composition of LP base (and how they can support startups) - Experience/resources to syndicate rounds
Contributions to sector & within the Singapore ecosystem	<ul style="list-style-type: none"> - Investment strategy's contribution to the development of specific sector or overall startup ecosystem - Initiatives, programs or collaborations with industry associations, academic institutions, or government bodies undertaken/supported by your fund that fosters sector or ecosystem development

SECTION A. ELIGIBILITY

Q1: Is the Partnership open only to Singapore-based funds or fund managers?

While the Partnership is open to local and overseas-based investors or fund managers, parties with Singapore-based Principals or teams able to provide hands-on guidance, advice or mentorship to the startups they have invested in would be preferred.

Q2: Do Co-investment Partners need to be MAS registered?

While there is no requirement for Co-investment Partners to be MAS registered e.g. in the case of Corporate Venture Arms, if your firm conducts fund management activities regulated under the [Securities and Futures Act 2001 \(SFA\)](#), it must apply to be a licensed fund management company (LFMC) that holds a capital markets services (CMS) licence. If your company solely manages venture capital funds, it may apply to be an LFMC that operates under the simplified venture capital fund manager (VCFM) regime.

Q3: Is there a target return expected from investments made with the Co-Investment Partner?

While we do not stipulate a target return, investors with strong historical performance i.e. MOIC, IRR, DPI from investing into Deep tech startups would be favored for Co-investment Partnership, assuming other requirements are also met.

SECTION B: INVESTEE COMPANY PROFILE

Q1: How is General Tech or Deep Tech defined?

Deep Tech startups refers to companies whose business models are built critically around proprietary technologies, research or hardware, and for which significant developmental efforts, such as product design and prototyping, product testing, clinical trials etc. are needed before the product is ready for sale.

The 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) May possess longer gestation period due to additional time required for R&D, technology de-risking and scaleup commercialisation.

Q2: Will startups with foreign-registered IPs qualify for support under the program?

Yes. There is no restriction on the origin of the IPs, but the IP rights must be assigned to the Singapore-based startups.

Q3: Will there be limitations to the invested companies' ability and future fundraising outside of Singapore?

No. In general, SEEDS views these as business decisions of the investee companies and does not impose geographical restrictions. In fact, SEEDS encourages investees to have a clear internationalization plan given the limitations of the local market and to seek foreign-based VCs if required. However, investees would have to base its key value-add activities in

Singapore (e.g. HQ, strategic management, R&D and product development) at the initial investment stage.

Q4: What stage of startups is SEEDS able to co-invest in?

SEEDS can co-invest into startups incorporated for less than 10 years, from Seed to Series C rounds.

Q5: Can the companies apply for other EnterpriseSG and/or government grants?

Yes. It is important to note that companies applying for government grants will be evaluated based on their projects' merits and this is independent of whether the applicant has been supported through the appointed Co-Investment Partner or by SEEDS.

SECTION C: GENERAL CO-INVESTMENT RELATED MATTERS

Q1: For Venture Capital funds, Fund Managers are able to charge Management Fees to Limited Partners. Will Co-Investment Partners be able to charge a "management fee" equivalent to SEEDS?

No. SEEDS would not be investing as a Limited Partner into the fund managed by the Co-Investment Partner - it is co-investing directly into the startups. SEEDS' investment funds can only be used for direct equity investment into startups.

Q2: Is there a limit to the investment quantum by SEEDS at first or subsequent rounds?

The maximum investment amount that could be raised from SEEDS is S\$2 million (for General tech) or S\$12 million (for Deep tech) per company, typically over several investment rounds. Follow-on investments, up to SEEDS' investment caps would be subject to company's continued progress and business performance, as well as deal terms in subsequent rounds.

Q3: On what terms would the co-investment be made with the Co-investment Partner into the startup?

SEEDS and the Co-investment Partner must invest on pari passu terms – on the principle of equal risk and reward.

Q4: What investment instruments are allowed under the co-investment program?

SEEDS is open to considering various equity-based investment instruments, most typically preferred equity but also including CARE/ SAFE and convertible notes.

Q5: What happens if two appointed Co-Investment Partners are looking at the same deal concurrently?

If the company has decided to accept investments from more than one party, SEEDS would co-invest with the Co-Investment Partner which is leading the round. In most cases, this is the party which would be leading the due diligence efforts and term negotiations with the potential investee, and which would also subsequently take up a Board seat in the company as an Investor Director.

Q6: Does SEEDS participate in investment decisions of the Co-Investment Partner? How long does it take for SEEDS to approve an investment surfaced by the partner?

SEEDS is not required to participate in the investment decisions of the Co-Investment Partner, although informing SEEDS early of potential deals would allow for coordination of due diligence efforts and a more expedient co-investment process.

Depending on the completeness of information and due diligence provided by the startup and Co-investment Partner, deals would typically be approved within 2 - 3 months from the time the term sheet is issued by the Co-investment Partner.

Q7: To what extent does SEEDS perform its own due diligence into potential investees?

SEEDS' primary modality is to leverage Co-Investment Partners' due diligence efforts regarding startups' management capabilities, technology innovation, growth potential and scalability, typically documented via a due diligence report or investment memorandum and shared with SEEDS.

Depending on the information shared and evaluation of the case, SEEDS may also supplement this with diligence of its own, which typically would not be as extensive as the Lead investor's. SEEDS is also open to being involved in/ conducting joint diligence with Appointed Partners to expedite the deal process.

Q8: Can the Co-Investment Partner and SEEDS participate in rounds whereby other government investment entities are also investing?

SEEDS and the Co-Investment Partner would be able to participate in funding rounds involving other government investment entities as long as the government investment entities do not form more than 50% of the round, and the total shareholding from all such entities, including SEEDS, does not exceed 50% before or after the investment round.

Q9: What role will SEEDS Capital assume after its investment?

SEEDS typically retains a Board observer seat post-investment, which beyond governance also allows for a deeper understanding of portfolio company's challenges and growth plans following which relevant support could be provided in tandem with other teams from within Enterprise Singapore. This may include leveraging Enterprise Singapore's Industry Cluster and Global Markets teams for business facilitation, market expansion, manpower facilitation and capability development projects.

Q10: How does SEEDS think about exiting a company, in terms of the modes of exit, and timeframe?

SEEDS is looking at a holding period of about seven years for deep tech startups invested, although as a government fund we retain flexibility on when we need to exit companies. Exit options include (but are not limited to) trade sales, mergers & acquisitions, secondary sales of shares, and initial public offerings at fair market value.

Q11: Would the Co-Investment Partner be able to exit the company before SEEDS?

If the Co-Investment Partner decides to exit from any investee company it has brought SEEDS in for co-investment, SEEDS should have the right to co-sell and to divest together, at pari passu terms.

Q12: Could you elaborate more on what it means by profit-sharing?

“Profit” is based on net proceeds from the divestment of shares after deduction of all transaction-related costs incurred by SEEDS and deduction of the principal amount invested

For example, if SEEDS had co-invested S\$1m into Investee A, and subsequently obtained divestment proceeds of S\$10m following a successful exit, the profits to SEEDS would be S\$9m. Assuming a 50:50 profit-sharing model, SEEDS would retain 50% of the S\$9m (S\$4.5m), while sharing the remaining 50% (S\$4.5m) with our Co-Investment Partner.

SECTION D: PARTNERSHIP APPLICATION PROCESS

Q1: What happens after I submit my proposal? When can we expect an outcome?

All applicants must submit their proposals by 11 September 2024, 1700. After submission, you will receive an acknowledgement email with 2 working days. The review process will begin, during which your proposal will be evaluated by our Evaluation Panel.

Applicants will be informed on the outcome of their applications before 30 November 2024.

Once an applicant has been approved by the Evaluation Panel, SEEDS would send across an Appointment Letter to solidify the Co-investment Partnership.

Q2: Will my proposal be kept confidential?

Yes, all submitted proposals will be treated as confidential and will only be shared with the Evaluation Panel and the EnterpriseSG team and management involved in the selection process.