

REQUEST FOR PROPOSALS FOR STARTUP ACCELERATOR

TERMS AND CONDITIONS

1. PURPOSE

This instrument is part of the Uruguay Innovation Hub Program (hereinafter UIH), whose objective is to promote science, technology and innovation projects that will enable the country to move towards a knowledge-based economy and society, becoming a world-class innovation center that will attract international investment, increase the country's potential economic growth rate and generate quality jobs for the country's inhabitants.

In this context, this instrument seeks to generate the conditions for the implementation in Uruguay of an acceleration program focused on early-stage innovative ventures, allowing them to grow through methodologies, mentoring, networking and financing. "Early-stage" refers to ventures that have already developed a Minimum Viable Product and demonstrated a certain degree of traction in the market. These ventures are seeking additional funding to scale their operations, expand their customer base, and further develop their product or service.

2. BENEFICIARIES

Beneficiaries may be organizations, both national and foreign¹, with a proven track record of supporting ventures in the growth and acceleration stages, with proven financial, managerial and technical capacity to follow up on ventures in these conditions.

Organizations may also apply in the form of a consortium. The relevance of the partnership must be based on the complementarity of capabilities that enhance the value proposition. Previous experience in working together will be valued.

The organization or consortium must have:

1. The ability of supporting ventures in an effective manner and that has at least:
 - an executive team with previous experience in the management of venture acceleration processes;
 - access to a network of mentors, comprised of experts from different verticals;
 - networks and/or alliances within the national and international ecosystem;
 - provable success stories associated with venture acceleration processes;
 - legal status in Uruguay at the moment of formalizing the contract;

¹ It must comply with International Standards on International Tax Transparency, Prevention and Control of Money Laundering, and Financing of Terrorism. See regulation: <https://www.impo.com.uy/bases/decretos/77-2017>

- an executive team based in Uruguay at the outset of the project, with the possibility of being hired locally; and
 - representatives from the parent organization involved during the acceleration stages.
2. A clear methodology of support, differential characteristics, services that comprise it, conditions of the ventures to go through the stages of the process and its results.
 3. A revenue model that ensures financial sustainability after the end of the program. Understanding of how its processes operate for achievement and future revenue generation is expected.
 4. A plan with annual indicators and objectives that shows how the organization will add value and capabilities to the accelerated ventures and to the national ecosystem in general, stating how many ventures they expect to accelerate per year. In the case of foreign organizations, it is expected that the plan will explicitly detail how it will be developed in Uruguay in all aspects of management, from operational structuring to future projections of the program's sustainability in the country.
 5. A schedule of engagement activities with the national entrepreneurship ecosystem, aiming to create synergies
 6. Private investment commitments: the organization or consortium must demonstrate that it has the capacity to invest in selected ventures after their passage through the organization program, having prior experience in this type of investment. In this regard, interested organizations must demonstrate that they have (i) liquid funds, or (ii) commitments to contribute liquid funds from third parties by means of letters of commitment to transfer funds, with notarized signatures.
 7. A proposal that demonstrates a significant impact on the national entrepreneurial ecosystem.

Conditions for accelerated ventures:

1. Ventures participating in the acceleration program must have at least 70% in-person attendance in the corresponding instances.
2. Provide a rationale for how the venture plans to execute its strategy in Uruguay through the expansion of its operations.

The UIH's priority areas are advanced digital technologies, biotechnology and green technologies. Organizations must specify in the provided form the sectors in which they will focus on.

3. BENEFITS OF THE INSTRUMENT

The selected organization will have access to two types of benefits:

Benefit of Operating Costs

The benefit of Operating Costs will consist of the disbursement of non-refundable financing to support its operation, covering the expenses necessary to fulfill the purposes of the organization under this instrument.

Office space will also be provided for the operation during the 3 years of the contract.

ANII's support will be granted for a maximum execution period of 3 years, with annual stages whose renewal will be subject to compliance with the indicators and results proposed at the beginning of each year. It will have a maximum annual amount of USD 300.000, while the organization must make contributions equivalent to at least 40% of the total cost of the project.

In this sense, items to be financed are:

1. Training services.
2. Hiring of consultancies (includes consultancies for the organization and for the accelerated companies).
3. Technical staff.
4. Materials and supplies.
5. Software.
6. Promotion and marketing.
7. Travel and lodging.
8. Services (including rentals).

Items not to be financed are:

1. Purchase of real estate, vehicles and other fixed assets.
2. Services and materials not directly related to the project.

Benefit in Joint Investment

The organization is expected to co-invest with UIH in selected ventures after their passage through the organization program, making cash contributions with its own funds or those of third parties that have been contributed to the selected organization or a complementary vehicle.

This shall be done as follows:

- UIH support will have a minimum cap of USD 50,000 and maximum cap of up to USD 150,000 per venture. The contributions to be received by the venture will be made on a 1:1 ratio between UIH and the organization, so that both parties invest 50% of the contributions defined in the project. At any time after signing the contract, however, the organization may make additional investments to those foreseen herein.

- Regarding the terms under which project financing will be structured, the following options can be considered: 1. Convertible repayable credit into shares at the investor's discretion; 2. Contribution towards the acquisition of shares in a future financing round. The specifics of each option will be agreed upon as appropriate in each case. Applicants may propose alternative financing approaches, which will be evaluated and taken into consideration when selecting projects for funding.
- UIH contributions will be delivered as advances, subject to the fulfillment of milestones against which disbursements will be made according to each project's schedule.
- To access this benefit, the organization will submit to the program the proposed ventures to be co-invested, which must be analyzed by an external evaluation committee in conjunction with the organization.

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In order to receive and maintain the joint investment benefit, the selected venture must be established in Uruguay at the time of signing the co-investment contract and comply with at least one of the following conditions within the first 24 months of operation:

- Significant Job Creation in Uruguay.
- Substantial Revenue Generation from Uruguay.
- Part of the founding team based in Uruguay.

4. APPLICATION AND ASSESSMENT PROCESS

4.1 APPLICATION

This instrument will be governed by a competitive process.

Private organizations wishing to apply must submit a proposal on a form to be provided for this purpose.

Once the application is submitted, it will be reviewed to ensure that it meets all the necessary requirements to begin the assessment process.

4.2 ASSESSMENT

The proposals will be assessed by an Assessment and Follow-up Committee (hereinafter referred to as the "CES"), which may be comprised of national and international experts. At the request of the CES, organizations may be invited to make a presentation of their proposal.

The Steering Committee of the Program, taking as input the technical evaluation prepared by the ESC, makes the final selection of the organization to be financed.

5. PROJECT ASSESSMENT CRITERIA

1. Executive team
2. Linkages within the national and international ecosystem
3. Spillover to the national ecosystem
4. Background and success stories in acceleration processes

5. Support methodology and mentorship network access
6. Revenue model and sustainability strategy
7. Indicators and objectives plan
8. Private investment commitments

6. FORMALIZATION

The appointed organization will sign a contract with the UIH. For this purpose, at the time of signing the contract, the appointed organization must have a company or subsidiary established in Uruguay.

The contract will have a term of thirty-six months; within this period, it will be renewed annually according to the fulfillment of indicators and results.

7. DISBURSEMENTS

ANII's contribution will be disbursed on a semi-annual basis, beginning with an initial disbursement to the organization. The remaining advances will be disbursed once UIH confirms compliance with the objectives and proper financial execution of the funds. 10% of the financing will be withheld until the approval of the performance reports and indicators that must be submitted annually to obtain the renewal of the contract.

8. FOLLOW-UP

UIH will perform the follow-up tasks, including both technical and economic-financial aspects. Disbursements will be granted once the progress reports prepared by the organization have been approved and at least 75% of the previous advance payment has been made.

Especially, the report will take into account:

- Monitoring of indicators and objectives, detailing their level of compliance and possible contingency measures if necessary.
- Follow-up of planned activities, detailing the level of compliance with the work plan and possible contingency measures to be implemented in the following period.