



GUIDELINES ON AGRO-BASED VENTURE FUND APPLICATIONS

1 June 2022

Please note that the information contained herein is intended to be used for guidance and knowledge only. Whilst every effort has been taken to ensure the accuracy and completeness of the contents at the time this Guidance Paper is issued, inaccuracies may exist due to several reasons including changes in circumstances and/or amendments brought about due to a change in the policy(s) or prevailing rules or regulations.

Bioeconomy Corporation does not hold out, warrant or guarantee that reliance on the information contained herein will result in the granting or approval of the matters applied for.

Bioeconomy Corporation welcomes feedback and comments on this document. Feedback and comments can be sent to funding@bioeconomycorporation.my and by stating clearly in the subject line the document title and document Reference No.

TABLE OF CONTENTS		PAGE
1	OBJECTIVE	3
2	TYPE AND SCOPE OF FUNDING	3
3	ELIGIBILITY CRITERIA	3
4	EXPENDITURE COVERED	3
5	QUANTUM OF FUNDING	4
6	DRAWDOWN / DISBURSEMENT	4
7	ACCEPTABLE SECURITY	5

1 OBJECTIVE

The objective of this paper is to provide applicants with an overview in relation to an application submitted for the Agro-based Venture Fund Programme (AGVF).

Generally AGVF, which is managed by Bioeconomy Corporation, is granted to successful applicants to cater for their ongoing activities and business expansion.

The main objective of the AGVF Programme is to invest, assist and support agricultural, bio-based and agritech companies primarily in commercialising their products or services.

2 TYPE AND SCOPE OF FUNDING

AGVF is essentially an Equity Funding Programme developed to address the funding needs of eligible early stage companies (Early Stage), small and medium enterprises (SMEs) and companies under pre-initial public offering exercises (Pre-IPO / Mezzanine).

The scope of funding would include for working capital, expansion capital, acquisition capital or to recapitalise (refinance debt).

3 ELIGIBILITY CRITERIA

To apply for AGVF, the applicant must:

- (1) BioNexus Status (BNX) company; or
- (2) be a Bio-based Accelerator (BBA) company; or
- (3) be an agro-based company; or
- (4) be an agri-tech company; or
- (5) be an agro-food company; or
- (6) undertake commercialised bio-based activity (Bio-based).

4 EXPENDITURE COVERED

AGVF shall cover expenditures in relation to business activities undertaken by the applicant, which may include the following:

- a. commercialisation of a market ready product;
- b. capacity expansion of existing products or services;

- c. final development stages of an enhanced product or service on the merits of the preceding product or service;
- d. commercialisation of an enhanced product or service on the merits of the preceding product or service;
- e. activities for commercialisation/expansion of an existing product or service into new markets (geographical or segmental);
- f. acquisition of technology or company complementary to existing business;
- g. bridge existing funding requirements pending a refinancing exercise or an initial public offering;
- h. redemption of existing financing;
- i. shareholder buyout; or
- j. for other purposes as approved by Bioeconomy Corporation .

5 QUANTUM OF FUNDING

Bioeconomy Corporation may invest in approved applicant company from a minimum of RM500,000 to a maximum of RM10,000,000.

<i>Investment Classification</i>	<i>Investment Size (RM'000)</i>
	<i>Up to Maximum</i>
Early Stage	1,000
SMEs	2,500
Pre-IPO / Mezzanine	10,000

6 DRAWDOWN / DISBURSEMENT

All approved AGVF facilities will be released in stages in accordance with the schedule of payments as set out in the Investment Agreement. Bioeconomy Corporation reserves the right to release the funds to any party it deems appropriate.

Disbursements to the approved AGVF recipient shall be subject to full compliance with all the conditions precedents and submission of complete supporting documentation as required by Bioeconomy Corporation.

7 ACCEPTABLE SECURITY

Bioeconomy Corporation as holder of the Preference Shares, holds the option to execute the conversion of those shares into Ordinary Shares.

To a certain extent, the Investment Risk can be fully or partially mitigated by way of Bioeconomy Corporation accepting security such as Fixed Deposit Receipts, Cash, Quoted Shares, Listed Unit Trusts, Property, Plant, Equipment and Machinery, or even Guarantee or Debenture.

Once the applicant has completed the Registration of Interest online via Bioeconomy Corporation's website, the list of documents required will be shared with the applicant. The applicant is also required to fill in and submit the information requested including the AGVF Programme Application Forms such as Form A, Form B etc.

Disclaimer:

**Bioeconomy Corporation reserves the right to amend/modify the guidelines and/or any of the terms mentioned above without prior notice*

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK