

The logo for Venture Capital Chile features a stylized 'V' composed of three light blue lines. To the right of the 'V', the word 'venture' is in light blue, 'capital' is in white, and 'CHILE' is in large white capital letters. Below 'CHILE', the text 'by CORFO' is written in a smaller, light blue font.

**venture
capital
CHILE**
by CORFO

A long-exposure photograph of a city street at night. The image shows light trails from cars, with a prominent diagonal streak of orange light from the top right and white streaks from the bottom left. Buildings and streetlights are visible in the background.

**SUPPORT PROGRAM
FOR VENTURE CAPITAL INVESTMENT FUNDS**

Early Stages (FT)

Venture Capital Chile: a CORFO initiative to attract foreign capitals to foster the Chilean Venture Capital Industry

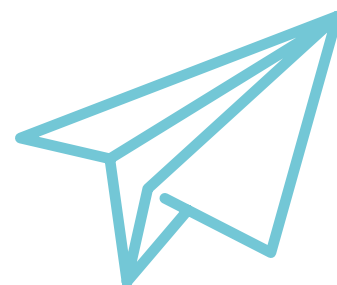
Our Programs have supported over **70 Investment Funds**, investing in over **450 Chilean companies** in different Industries.

These Investment Funds are investing in high potential Chilean ventures, where they also contribute smart money, actively managing the Fund's portfolio companies. They back development and networking, supporting ventures in ramping-up their business and multiplying their return on investment, as well as other positive externalities for all stakeholders.

Early Stages (FT)

The FT Program **supports the creation of Investment Funds able to finance Chilean Micro, Small & Medium high growth potential Enterprises.**

FT supported funds can use the resources available to obtain capital, especially taking minority stakes. They can also issue credits to such ventures.



\$ Financing from US\$6,7M¹ (UF¹ 150,000) to US\$55M¹ (UF¹ 1,250,000)

¹ US Dollar-CL Peso values as of April 30th 2023. [It trades freely NT] - UF stands for "Unidad de Fomento" [Promotion Unit]. UF is an index-linked accounting unit defined by the Chilean Central Bank and adjusted daily. See <https://si3.bcentral.cl/indicadoressiete/secure/IndicadoresDiarios.aspx>



CORFO'S CREDIT LINES - FEATURES

> CORFO is available to approve credit lines for **up to 100% of the private capital contribution. The Debt/Fund's capital ratio can be up to 1:1**. These credits are approved by CORFO's Venture Capital Committee² for Chilean-incorporated Investment Funds, complying with CORFO's FT program regulations.

\$ The **minimum** amount of the Credit Line will be **US\$6,7M (UF 150,000)** and the **maximum US\$22M (UF 500,000)**.

> Furthermore, under this program Funds can apply for a one-off credit line increase, as follows:

i) **Up to 25% Credit Line increase, maintaining the same CORFO debt/Fund's capital ratio.**

ii) **Credit Line increase, increasing the Debt to CORFO/Capital ratio to 2:1** provided certain conditions are met and the Fund can demonstrate, using objective parameters, value creation in Chilean companies from the date of investment in them by the Fund.

The total of the FT Credit Line, including increases, may be up to **US\$55M (UF 1,250,000)**.

> After **60 months** from signature of the Credit Line contract, the Investment Fund must demonstrate final investment of at least 60% of Credit Line approved by the Venture Capital Committee.

After that period, the unused part of this percentage of the Credit Line will be deemed to have expired.

CREDIT CONDITIONS

⌚ Debts arising from this credit line will be paid in a **single instalment**. They will mature at a term not exceeding **15 years** from signature of the Credit Line Contract, or on expiration of the Fund, if sooner. Any prepayment due under point 5 of the Program Regulation will be paid in all cases.

> These credits issued in UF [*inflation-linked units*] will accrue interest at 10 years BCU rate³ Interest accrued will be capitalized yearly, on the last day of the year.

ELIGIBLE VENTURES

> Ventures eligible to receive the Fund's credits:

- Chilean companies incorporated as S.A. or SpA.
- Their sales must be **less than US\$4,45M (UF 100,000)** in the last 12 months*
- The company's equity may not exceed **US\$2,2M (UF 50,000)**.*

² The Committee is a collegiate body authorised to decide the allocation of CORFO's credit lines to Investment Funds, as per the Investment Funds Act, Chilean Law N° 20712.

³ BCU is a rate set by the Central Bank, reflecting the average interest rate of Chilean Central Bank Bonds, in UF, at 10-year term in the secondary market.

* As of the first Fund investment.



WINDING-UP OF THE FUND

In case of **final winding-up of the Fund**, any remaining amounts, expressed in UF, will be distributed to investors in the following order of priority:

- 1° CORFO's unpaid credit interests.
- 2° CORFO's original credit capital, less any previous capital payments.
- 3° Original contributions by private investors.

4° Contingent Interest payment to CORFO at 10-year BCU rate + 2%. This interest **is not payable** if the object of the Fund is to **generate social impact through its investments**⁴, or if the Fund is deemed to **invest in industries classed by CORFO as strategic**.

5° Remaining funds will be distributed to private investors and to the Fund Manager, as established in the Fund articles.

⁴ This must be accredited at the time of application to the Program, and further must be consistent with the Business Plan and the Investment Policy defined in the Fund's articles.

How to apply?

Number 12 of the Program Regulation gives the requirements for application and the data that Fund Managers must submit when applying for one of our Credit Lines.

In addition, the Fund proposal must include the following:

- **Fund and Manager data (both must be incorporated in Chile):** Track record of management company and managerial team. Legal documents demonstrating incorporation and current existence. Financial and economic data, etc.
- **Fund's Draft Articles**, including at least all the points mentioned in Number 14 of the Fund Program Regulations.
- **Private Investors' Contribution Pledge** for 100% of the capital committed, consistent with the Credit Line applied for. The Fund's investor structure must comply with Number 13 of the Program Regulation of the Fund applied for.
- **Investment Fund Business Proposal**, must contain at least the information required under Number 15 of the Program Regulation of the Fund applied for.



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