Frequently Asked Questions (FAQ) about the REPAIR Impact Fund

1. **What are the REPAIR Impact Fund's criteria to choose between project and company funding mechanisms?**
   Novo Holdings will choose which investment mechanism we offer. We anticipate using the convertible debt instrument most often and only using the royalty model for larger companies in which an early stage program seeking funding is only a small part of the overall company value.

2. **Will the evaluation be based on the project we want to fund with the REPAIR investment or on the full pipeline of the company?**

   The evaluation will be based on both the new program and the pipeline of the company so you should provide both the project data and the plans for all the programs of the company. The overall budget and strategy has to make sense as REPAIR will use a convertible loan in most cases (see question 1) and hope to obtain equity in the company (= the full portfolio) at some point.

3. **What are or can be the interactions with Novo Holdings' other investment vehicles (Novo Seeds, Novo Ventures and Principal Investments) – at early and clinical stage – at project or company level?**
   All companies into which we invest will be Novo Holdings portfolio companies. We can easily facilitate interactions. Prior to converting investment into equity, however, we will not be involved with board matters.

4. **Is the 'strategic criteria' screening based more on VC or philanthropic criteria? What is the positioning compared to what VC traditionally do on the one hand, and the various positioning of GARDP, BMGF, Carb-X, Wellcome Trust on the other?**
   Our screening is based on typical VC criteria: good science and a good team. We are similar to Carb-X in using the exact same list of priority pathogens to target and prefer novel mechanisms and modalities.

5. **Do you fund 100% of project's cost or would you expect other funding as well? What is the expected proportion in case of additional funding?**
   We can fund up to 100% of a project cost. Obviously, it is beneficial to us if the company has also obtained non-dilutive financing for a portion of the cost.

6. **Our Singapore-based company has a legal subsidiary in Europe. Can we send a proposal from it?**
   Yes, we will consider proposals from anywhere in the world.

7. **We have a university-based project, but the university has a policy to only support incorporating companies when an investor term sheet has been received. Can we make a proposal to REPAIR?**
   REPAIR can only invest in a company, even in a very simple structure, in order to ensure that all IP rights will be secured in the company and that a management team is in place.

8. **Can we mention that we are in discussion with REPAIR to other investors?**
   Yes, we encourage companies to approach other investors in order to ensure stronger financing, and you can mention where you are in the evaluation process of REPAIR.

9. **What is the range of investments that you anticipate making?**
   Between €1m/$1m and €12m/$15m potentially tranched by a milestone.

10. **In the non-confidential template, you ask to tick only one financing box (lead optimization, pre-clinical development, or phase 1 clinical trials). Can you fund all three and do you need to see budgets for all three?**
    REPAIR will initially only fund one of these activities at a time and will at the non-confidential stage only need to see the budget for this particular activity. We do ask for the total estimate to get to the end of ph1 as well. If a program is successful in one of the earlier phases, we would of course expect that another investment opportunity will arise.

11. **Are we limited to one proposal per round or is it possible to put in more than one proposal covering different projects?**
    We would prefer – and it would be to your benefit – to obtain a single proposal from your company describing both the company and programs in particular if the programs derive from the same technology platform. We would like to understand the cost synergies and that sufficient funding can be secured in total. In the confidential proposal request, we will specify whether we can invest to fund one or more programs.

12. **What are your standard deal terms?**
    For Europe and Canada, the standard investment structure is a convertible loan
    - 8% interest
    - 20% discount on conversion
    - Right to buy up to at least 10% on conversion and obtain a board seat
    - No lien on IP
    - Standard representations and warranties, loan covenants and undertakings regarding stewardship and access
    - Mandatory repayment after 10 years. Voluntary repayment any time subject to certain additional payments
    - Arbitration, Danish law, English language

    For United States investments, the standard investment structure is a SAFE (Simple Agreement For Equity)
    - 26% discount on conversion before 18 months
    - 31% discount on conversion between 18 months and 36 months
    - 36% discount on conversion after 36 months
    - Right to buy up to at least 10% on conversion and obtain a board seat
    - No lien on IP
    - Standard representations and warranties, loan covenants and undertakings regarding stewardship and access
    - Arbitration, Danish law, English language