|  |
| --- |
| Preliminary DueDiligence Questionnaire |
| **For Kernel Capital Internal Use** | **Date Received:** | **PDQ No:**  |
| **CONTEXT:** | ***Known Info:*** |  | ***Informal meeting*:**  |  | ***PDQ:*** |  | ***Formal Pitch:*** |  | ***Investee:*** |  | ***Final for IC:*** |  |
| **Completed By, Name & position:** |  |
| **Company Name:**  |  |
| **Date:** |  |
| **Company registered number:** |  |
| **Date established:** |  |
| **Industry sector:** |  |
| **Business address:** |  |
| **Contact details:** **( Phone, Email, Website, Address)** |  |
| **% of sales export focused:** |  |
| **Describe the Company’s business opportunity in 100 words or less** |  |
| **Is it a Government Enterprise Agency client?****Date Approved?** |  |
| **Government Enterprise Agency Advisor/Client Executive, & Contact Details:** |  |
| **Please provide details of any previous equity investments from commercial fund managers and/or Government Enterprise Agencies.** |  |
| **Auditors:**  |  |
| **Lawyers:**  |  |
| **Other Advisors:** |  |
| **Bankers:** |  |
| **TRANSACTION DETAILS** |
| **Requested investment from Kernel Capital:** |  |
| **Simultaneous investment from others, including from Government Enterprise Agencies:****Can proof of these potential funds be provided?** |  |
| **Required timeframe for investment:** |  |
| **How long will this investment fund the company for?** |  |
| **Company valuation:** | Pre Money €/£: | Post Money €/£: |
| **Would an offer consistent with the request be accepted?** |  |
| **For Seed Fund investments, have the standard terms of investment available on our website been read?** |  |
| **CAPITAL STRUCTURE** |
| **Please attach the current Cap Table** |  |
| **Does the Capital Structure agree with current CRO/Companies House filings?**  |  |
| **Please attach a copy of the Share Register & the latest filed Annual Return** |  |
| **Is there a Shareholders’ Agreement?**  |  |
| **Government Enterprise Agency and other Grants Received** |
| **Date** | **Amount awarded** | **Drawn down** | **Description and Grant Type** |
|  |  |  |  |
| **FINANCIALS**  |
| **Please attach most recent management accounts, and for the last three financial years.**  |
| **Please attach the financial projections model.**  |
| **Please attach copies of bank statements for each account for the preceding 6 months from date of application.**  |
| **Please attach a current tax clearance cert.**  |
| **Please complete the following table as at the latest month-end** |
| **Date** | **Total Sales since incorporation** | **Retained earnings** | **Funds raised** | **Total Cash** | **Total Debt** | **Net Assets** | **No. Employees** |
|  |  |  |  |  |  |  |  |
| **Details of Total Debt** | **Loan Facility** | **Terms** |
| **Bank** |  |
| **Directors’ Loans** |  |
| **Shareholder Loans** |  |
| **Other** |  |
| **KEY PATENT DATA** |
| **Patent ID #** | **Named Inventor** | **Territories filed/granted** | **Description** | **Status** | **Freedom to** **operate/other** |
|  |  |  |  |  |  |

*Note: The remainder of this questionnaire may be answered as briefly or in as much detail as deemed appropriate. Complete, accurate information concisely stated is appreciated.*

**Investment Details**

1. How do you envisage the timing and method of returning invested capital?
2. Has the Company entered into any contractual arrangement whereby a third party is paid a fee on completion of the fundraising or have any other commitments been given to such bodies regarding the current or future rounds? If so, provide details.
3. To which other sources of capital has the Company applied for funding and when?

**Management Team and Non Executive Directors (Profile)**

1. Please provide brief biographies of the management team (biographies should include relevant professional experience and

responsibility within the company, along with details of previous roles held with dates, job titles etc).

1. For all personnel please give name, age, position, % of time committed, length of service, salary.
2. How do you believe that the management team can be improved?

**Financials**

1. Which key assumptions is the financial projections model most sensitive to?
2. What sources of funding are currently available to the business? What is the current cash on hand as of today?
3. What level of capital do you anticipate is necessary to achieve a sustainable market position in both the short-run and the long-run?
4. What is the rational supporting the stated valuation of the business today?
5. How will the funding proceeds be used?

**Product / Service**

1. Describe the existing and proposed product or service and its application to the market opportunity.
2. At what stage of development is the current product suite (e.g. feasibility, proof of concept, patented, ready for distribution etc?)
3. Outline the future product development roadmap for the current offering.
4. What differentiates the company’s product or service and provides a sustainable competitive advantage?
5. What are the key issues that need to be addressed to improve the company’s product or service?
6. Have any specific reports on the company’s technology/processes been commissioned? If so, please outline.

**The Market**

1. Describe the target market for the product or service.
2. What is the geographical market for the product or service?
3. Is the market emerging, stable or declining?
4. What is the market’s estimated value per annum in the short-term (2 years) and medium-term (5 years) growth?
5. Have you reviewed Independent Market Reports on the Industry and Product Area? If so, provide the title, author and date for each report.
6. Are the demand drivers for the product or service identifiable?

**The Industry**

1. Describe the competitive landscape of the target market, with market share and revenue information.
2. Where does the company fit within the supply chain of the industry?
3. What influence / alliance / relationship does the company have, or have the potential to hold, with players in the industry?

**Competition**

1. Who are the major competitors and how is the Company differentiated from them?
2. Do barriers exist that will inhibit competitors from doing what the Company is doing?

**Sales**

1. What is the current or potential customer profile?
2. What is the proposed short-term (2 years) and long-term (5 years) revenue model?
3. Briefly describe the current sales and marketing plan.
4. What percentage of the target market does the Company aim to capture within a three-year timeframe.
5. List the top 5 key existing and target customers below.
6. Has a customer already bought the product or service for cash? If so, please describe recent sales.
7. If a pre-revenue company, when will the first commercial sale be completed?
8. Who will buy the product/service and why will they buy it?
9. How will you the product be sold and gotten to the end-user (distribution)?

1. How much will the average customer spend with the Company in a year and how has that figure been calculated?
2. Briefly describe the sales process and timeline from a prospect being identified to getting paid.

**Company SWOT Analysis**

Please populate the SWOT table below.

|  |  |  |
| --- | --- | --- |
| **Strengths** |  | **Weaknesses** |
|  |  |  |
|  |  |  |
| **Opportunities** |  | **Threats** |
|  |  |  |