VDD FUND – TEASER NOTE

March 10, 2026

1. THE CHALLENGE

Many mid-market SMEs (€10–100M) entering a sale process are unable to fund a full Vendor Due Diligence (VDD). As a result, they compromise on valuation, lose negotiating leverage, lengthen the process and increase execution risk.

Without a VDD:

- ✓ Buyers dictate DD scope, timeline, and pricing power.
- ✓ Sellers lack credibility in competitive auctions.
- ✓ Deal failure or price erosion becomes likely.

Yet a professionally executed VDD by tier-1or 2 auditors can unlock a 5% to 15% valuation uplift while accelerating the process.

2. THE SOLUTION: VDD FUND

VC-A, in partnership with You Are Capital (YAC), proposes the creation of a Professional Investor Fund (PIF) dedicated to pre-financing Vendor Due Diligence in M&A transactions.

- ✓ The fund finances full or partial VDD packages (commercial, financial, legal, tax, ESG).
- ✓ Structure: Perpetual convertible notes with PIK interest, converted at exit.
- ✓ Returns are contractually set as a multiple of the note's face value, payable upon exit.
- ✓ Exits trigger a return predefined as a multiple of the note's face value.
- ✓ If no sale occurs, the note remains on balance sheet as a non-performing asset.
- ✓ The fund only commits to companies that have engaged a reputable M&A advisor.

3. ANCHOR INVESTOR ROLE

We are seeking one or more anchor LPs to:

- ✓ Commit €1M-€5M to catalyze the first close.
- ✓ Benefit from preferentials terms (reduced fees, share of GP's upside).
- ✓ Advise on early-stage governance and transaction structuring.
- ✓ Gain early access to curated deal flow.

4. WHY VALUE CREATION – ALTERNATIVE (VC-A)

- ✓ Global Network: 1,200+ members, 35,000+ contacts, 5,000+ investors.
- ✓ Track Record: >US$100B in M&A and fundraising advised.
- ✓ Proven Process: VC-A M&A Suite (CRM/DB/BI/AI) to identify, vet, and manage deals.

5. WHY YOU ARE CAPITAL (YAC)

- ✓ Leading independent M&A boutique with 35+ years of experience (France and Spain)
- ✓ Strong mid-cap and cross-border deal flow with 400+ M&A transactions
- ✓ Trusted by founders and family business owners
- ✓ Early access to proprietary sale mandates as a prescriber

6. SPONSORING TEAM

- ✓ **Jean-François Alandry**, Founder and CEO YAC. Linkedin.
- ✓ **Christophe Schwoertzig**. Founder and CEO VC-A, IC Axion. Biography.

7. SERVICE PROVIDERS

- ✓ **Fiduscorp**. Licensed and regulated Corporate Service Provider.
- ✓ **Axion**. Investment Funds Platform.
- ✓ **Mazars.** Fund audit, assurance, tax, advisory.

Key Metrics

Investment Sought

- ✓ Anchor investment: €5 - €10 million
- ✓ Minimum investment: €1 million
- ✓ Target size: €30 million

Fund Structure

- ✓ Professional Investors Fund (PIF)
- ✓ Malta (EU) jurisdiction
- ✓ Regulated by the MFSA
- ✓ Targeted seed: €5 – 10 million
- ✓ Management fees (LP): 1% - 2%
- ✓ Carry (GP): 20% after 6% hurdle
- ✓ 100% catch-up
- ✓ European waterfall

Anchor Investors Benefits

- ✓ Partaking in fund structuring
- ✓ Preferred economics
- ✓ Access to curated deal flow

Use of Proceed & Target Companies

- ✓ Vendors valuation: €10M - €100M
- ✓ Location: France and Spain
- ✓ Investment tickets: €70k - €175k
- ✓ Expected ROI per ticket > 3.5X
- ✓ Time to closing: 6 to 12 months

Borrower's Fees

- ✓ Fixed application fee: €1400 - €1700
- ✓ Annual maintenance fee: €1000
- ✓ Capitalised interests: Euribor + 1% p.a.
- ✓ Penalty for early repayment
- ✓ PIK: 3.5-5X note value + accrued interests

Current Status

- ✓ In talks with Axion

8. NEXT STEPS

If interested in exploring the anchor investor role, please contact:

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Anchor investors capture the first – and highest – returns
Sit at the table where transactions are shaped and value is unlocked.

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