

## Appendix 2 to the Process and Rules for the Selection of Accredited Funds

### NCBR Investment Fund ASI S.A.

#### Key Terms and Conditions of Cooperation, Recruitment and Selection of Accredited Funds - "Term sheet"

<b>1. Company</b>	NCBR Investment Fund ASI S.A. ("NIF").
<b>2. Type of business</b>	Co-investment Venture Capital (VC) fund.
<b>3. Amount of funds for investments</b>	PLN 700 million in 2020-2026 (approximately PLN 100 million annually).
<b>4. Source of funding</b>	Own resources of The National Centre for Research and Development.
<b>5. Basis of action</b>	NCBR Investment Fund ASI S.A. is an alternative investment fund, as referred to in Art. 8a of the Act on investment funds and management of alternative investment funds (Journal of Laws of 2020, item 95). NIF operates in the formula of an internally managing <i>AIF</i> ( <i>alternative investment fund</i> ).
<b>6. Subject of activity</b>	<ul style="list-style-type: none"><li>• Collecting assets from many investors in order to invest them in the interests of these investors in accordance with a specific investment policy, which corresponds to the subject of activity described in the Polish Classification of Activities: 64.30.Z "Trusts, funds and similar financial entities",</li><li>• Managing an alternative investment company, including introducing an alternative investment fund to the market, which corresponds to the subject of activity described in the Polish Classification of Activities: 66.30.Z "Fund management activities".</li></ul>
<b>7. Cooperation strategy</b>	NIF implements the strategy of a private equity fund, of a Venture Capital type. NIF is a co-investment fund, i.e. investing only together with one or more Accredited Funds on equal terms ( <i>pari passu</i> <sup>1</sup> ).
<b>8. Investment objective</b>	<p>The main investment objective of NIF is to increase the value of assets due to the increased value of their investments.</p> <p>As part of the main objective implementation, NIF will, in cooperation with co-investors (Accredited Funds), purchase and acquire, on market conditions, shares and stocks in companies that are capital companies that implement projects resulting from scientific research or development work (Portfolio Companies). Additional objectives include: filling the equity gap in the area of commercialization of R&amp;D&amp;I (i.e. research, development, innovation) at the level of large projects and support and activation of private investors (domestic and foreign) on Polish VC market. The implementation of</p>

<sup>1</sup> In particular, this means that NIF and the Accredited Fund (and possibly other co-investors) should be exposed to the risk of incurring losses and should have the right to benefit from the investment in proportion to the capital commitment in the particular Portfolio Company.

	additional objectives will contribute to strengthening the innovation ecosystem in Poland, and thus to long-term economic growth.
<b>9. Description of the activity</b>	<ul style="list-style-type: none"> <li>• Portfolio Companies selected and proposed by previously verified Accredited Funds, or</li> <li>• Portfolio Companies that will report themselves to NIF and will be positively assessed by NIF, subject to verification by the Accredited Funds, and then participation in the investment of at least one of the Accredited Funds.</li> </ul>
<b>10. Accredited Fund</b>	NIF Accredited Fund may be a VC or PE fund or a medium or large enterprise within the meaning of Annex I to Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain types of aid compatible with the internal market pursuant to Art. 107 and 108 of the Treaty, conducting investment activity on the venture capital market (regardless of the legal form in which it is conducted, with the exception of a civil partnership or sole proprietorship), established and operating in accordance with the law applicable to its seat, with the exception of entities within which the pari passu principle is not respected and the state aid is granted.
<b>11. Accredited Funds Selection Mode</b>	Continuous and open recruitment of appropriate quality Accredited Funds.
<b>12. Criteria for selecting Accredited Funds</b>	<ul style="list-style-type: none"> <li>• Investment strategy (20%),</li> <li>• Experience and competences in the investment process (30%),</li> <li>• Experience and competence in supervising and managing a portfolio of companies (20%),</li> <li>• Experience and competence in further financing and exiting investments (10%),</li> <li>• Financial stability and quality (10%),</li> <li>• References (10%).</li> </ul>
<b>13. Principles of cooperation with Accredited Funds</b>	The detailed rules of cooperation with Accredited Funds will be each time precisely defined in a bilateral agreement.
<b>14. Financial conditions of cooperation with Accredited Funds</b>	<ul style="list-style-type: none"> <li>• A one-time lump sum (transaction fee) in the amount of 1% of the value of the co-investment to cover external transaction costs, preparation by the entity managing the Accredited Fund of the NIF co-investment in the Portfolio Company (the amount of the lump sum not lower than PLN 50,000.00 and not higher than PLN 100,000.00),</li> <li>• Carried interest paid to the entity managing (General Partner) the Accredited Fund from the NIF's profit, at the same level as that for the investors of the Accredited Fund, but not higher than 30%, while maintaining the minimum hurdle rate above which carried interest is calculated,</li> <li>• The settlement of carried interest with the Accredited Fund managing entity on a portfolio basis, after NIF and the Accredited Fund have exited all the NIF's co-investments in Portfolio Companies with that Accredited</li> </ul>

	Fund.
<b>15. Non-financial benefits for the Accredited Fund</b>	<ul style="list-style-type: none"> <li>• Access to additional capital and increasing the scale of investments,</li> <li>• The possible greater diversification of the portfolio,</li> <li>• A quick decision - NIF investment decisions made without undue delay based on defined investment evaluation criteria,</li> <li>• Possible support in the process of technological due diligence,</li> <li>• An additional source of acquiring potential Portfolio Companies,</li> <li>• Image effect - verification and cooperation with a partner with a proven reputation in the field of financing R &amp; D &amp; I investments,</li> <li>• The passive role of NIF in making investment decisions (including entering and exiting from investments) as well as participating in the management and operational decisions concerning Portfolio Companies.</li> </ul>
<b>16. Portfolio Company</b>	<p>NIF will invest in enterprises (Portfolio Companies) having the legal form of a capital company, with each Portfolio Company meeting the following criteria jointly:</p> <ul style="list-style-type: none"> <li>• it will be an enterprise emerging from the seed stage and start-up, i.e. in the expansion and growth phases,</li> <li>• it will commercialize the R&amp;D&amp;I project, i.e. undertake activities related to conducting scientific research or development work in order to introduce a specific product or service to the market or activities consisting in the implementation of a product or service resulting from scientific research or development work within the meaning of the Act on 20 July 2018 - Law on higher education and science (Journal of Laws of 2020, item 85),</li> <li>• it will be an enterprise classified as a micro, small or medium-sized enterprise (i.e. it will employ fewer than 250 employees, have an annual turnover not exceeding EUR 50 million or an annual balance sheet total not exceeding EUR 43 million) within the meaning of Annex I to Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market pursuant to Art. 107 and 108 of the Treaty,</li> <li>• it will operate on any market for no longer than 7 years since the first commercial sale,</li> <li>• it will have its seat in Poland or other countries of the Organization for Economic Co-operation and Development (OECD),</li> <li>• it will have Polish element, understood as having an enterprise by a portfolio company and conducting its business in the territory of Poland,</li> <li>• it will be examined in terms of business prospects and investment risk and approved by the Accredited Fund.</li> </ul>
<b>17. Economic sectors</b>	NIF may invest funds in enterprises from all industries and market segments, as long as they meet the requirements of the Portfolio Company.

<b>18. Involvement in a Portfolio Company</b>	<p>From PLN 3 million to approx. PLN 64 million (equivalent of EUR 15 million) in total, which will be made by each party of the co-investment, as part of one or several financing rounds (the assumed average investment value is from PLN 5 million to PLN 10 million), with at least 50% of the investment coming from one or more co-investors, and at the same time at least 30% of the total investment in a given round will come from private investors.</p>
<b>19. Investment term</b>	<p>Due to the passive role of NIF in making investment decisions (including exiting from investments) and maintaining the equality of conditions (<i>pari passu</i>), the investment term will be determined in accordance with the recommendation of the Accredited Fund, taking into account its investment horizon.</p>
<b>20. Exit from the investment</b>	<ul style="list-style-type: none"> <li>• The introduction of the Portfolio Company shares to trading on the organized market – IPO;</li> <li>• The sale of shares and stocks in the Portfolio Company to other entities without conducting a public offering;</li> <li>• The redemption of shares from the resources of the Portfolio Company.</li> </ul>
<b>21. Public aid</b>	<p>Co-investments of NIF in Portfolio Companies with Accredited Funds will be carried out on an arm's length basis without any public aid.</p>
<b>22. Relations with Portfolio Companies</b>	<p>NIF expects that the supervision over the Portfolio Companies in terms of the implementation of the business plan and compliance with corporate governance will be carried out by the Accredited Fund.</p> <p>NIF will not be involved in making operational decisions in Portfolio Companies, except for matters reserved to the decisions of the Portfolio Company's general meeting or shareholders' meeting or specified in a multilateral agreement between NIF and the co-investing Fund or Accredited Funds. As a rule, NIF will not delegate or nominate its representatives to the bodies of the Portfolio Company. The NIF supervision over the activities of the Portfolio Company will be exercised by an observer authorised to receive the information necessary for supervision. The function of an observer will be performed by a Management Board Member or a designated employee of NIF as part of his official duties. The observer will be independent from the Accredited Fund and will not receive remuneration from the Accredited Fund. The detailed rules of the NIF relationship with Portfolio Companies will be specified in the agreement concluded for each investment. In exceptional cases, when it will be required by the interest of NIF or the Portfolio Company, in particular in the event of a breach of the multilateral agreement, NIF reserves the right to actively exercise ownership rights.</p>