

Fond-ICO Next Tech

Additional criteria for Technology Transfer Funds

1. Target Fund Size (TFS) of at least EUR 60 million
2. Fond-ICO Next Tech may contribute up to 49% of the total investment structure presented, taking into account all public resources and a maximum amount of EUR 50 million.
3. Investments primarily in start-ups, technology-based companies and projects that develop knowledge and research originating from research bodies, with a particular emphasis on the following areas:
 - a) Pre-seed proof of concept, identification of commercially viable technologies and definition of proof of concept.
 - b) Seed stage: studies, evaluations and development of an initial concept, which may include product/process design activities, pilot plant development and prototyping.
 - c) Start-up stage: product development, scaling and initial marketing.

Follow-on or recurring investments in companies are always considered.
4. Fund established in an OECD country and authorised or registered with the National Securities Market Commission (CNMV) or other OECD regulatory body, where required by applicable law.
5. At least one (1) member of the current investment team (with partner/manager status) has been a member of the investment team (partner/manager) of a venture capital firm throughout the investment period and/or has experience of technology transfer investments that have raised subsequent rounds of new professional investors. This member must be considered a key manager.
6. The fund manager undertakes to invest at least 2 times the capital committed by Fond-ICO Next Tech in Spanish companies, in accordance with the general investment criteria established. This commitment must be reflected in all legal documents of the fund, including the fund's rules and regulations.
7. FOND-ICO Next Tech will proceed with a closing as long as the fund holds at least 50% of the target fund size (Fond-ICO Next Tech's participation is capped at 49%), taking into account the resources contributed by Fond-ICO Next Tech; and two further closings will take place until the process is completed.
8. The existence of investment agreements with other early stage funds must be assessed.
9. The management fee and hurdle rate will be negotiable depending on the invested amount, could not be greater than 3% per annum of the committed capital throughout the investment period and of the capital still invested throughout the divestment period.

In any event, they must not exceed those of the investor with the most favourable terms.

In the case of fund managers who have managed funds invested by funds or initiatives developed by AXIS, the terms and conditions of the previous investment will be considered.

10. The management team and/or fund manager must commit to investing a minimum of 1% of the total size of the fund. Only commitments signed by the manager, the members of the management team or a company in which they have 100% ownership will be considered valid.
11. The capital of the management company must be 100% privately owned.
12. The fund in which Fond-ICO Next Tech invests must meet the following requirements:
 - 1) Funds established and denominated in euro and commitments to Fond-ICO Next Tech will be made in euros.
 - 2) The majority of the capital of the funds should be private, taking into account Fond-ICO Next Tech's share.
 - 3) In the case of participation by institutions, companies, or public bodies at the regional or local level participate, the combined stakes of these entities and Fond-ICO Next Tech may not exceed the investment limits of Fond-ICO Next Tech of 49% of the final fund size. Under no circumstances should their commitment to the fund exceed that of Fond-ICO Next Tech.
 - 4) Funds are not allowed to commit to a majority investment at the regional or local level. These limits apply to the fund structure as a whole, regardless of the entities that make it up.
 - 5) In addition to meeting any other prior requirements that an investor may have for joining a particular investment entity, the potential involvement of regional or local institutions, companies, or public bodies in the decision-making bodies of the funds should not determine investment and divestment decisions within the funds.
13. Both the management company and the fund must comply with the solvency requirements established by the CNMV (or other OECD regulatory authority, as required by the relevant legislation) and the applicable regulations. In addition, they must not have any outstanding disciplinary proceedings.
14. In addition to the requirements described above, both the track record of past investments and the deal flow or prospective investments being analysed by the fund will be assessed in terms of their suitability to the investment criteria and the impact they may have on the objectives of this initiative.

For all funds in which the fund invests, direct agreement with the fund manager is required for the following:

- Validation of capital-calls
- Quarterly valuation reports on investees
- Periodic reports on the status of the fund and audited annual accounts

The above requirements apply to **newly appointed management company** if the following criteria are met:

- ✓ Members of the management company must provide evidence of **prior experience in other management companies**, in particular in investment/disinvestment roles, and details of the venture capital funds they have managed.
- ✓ Have a **strategy in place to generate the necessary deal flow** to facilitate investment.

Three years after the end of the investment period, the funds must **draw up a report confirming compliance with the requirements necessary for the fund's investment** (investments in Spanish companies, investments in start-ups, technology-based companies and projects to develop knowledge and research originating from research bodies). Failure to do so may result in a change to **future management fees or exclusion from future access to AXIS managed funds**.