

Summary Key Terms and Conditions for Indirect Investments under the Co-investment Fund (FOCO)

Fund Objective	The Co-Investment Fund (FOCO), managed by Compañía Española de Financiación al Desarrollo (COFIDES), is a financial instrument whose purpose is to mobilize resources from foreign investors, both public and private, to boost productive investments made by private firms on Spanish territory.
Fund Description	FOCO will promote foreign investments into Spain's economy and improve access to finance strategic sectors, particularly (but not exclusively) those tied to the green and digital transitions and the <i>Proyectos Estratégicos para la Recuperación y Transformación Económica</i> (PERTEs) ¹ , as well as to make a relevant contribution to the development of capital markets in these areas.
Target Sectors	Spain's strategic economic sectors aligned with the Spanish Recovery and resiliency Plan, including those tied to the green and digital transitions and those included in the PERTEs, as well as other strategic economic activities such as sustainable mobility, sustainable infrastructure, healthcare, digital and green transition, sustainable agriculture, biotechnology and life sciences, deep technologies or cleantech, among others. Further details on the list of eligible sectors are provided in Annex III . FOCO shall exclude activities related to (i) fossil fuels, (ii) energy-intensive and/or high CO2-emitting industries (iii) waste collection, waste treatment and disposal, (iv) production, rental, or sale of polluting vehicles, (v) processing of nuclear fuel, production of nuclear energy. Further details on the exclusion list are provided in Annex I.
Fund Size	€2 Billion
Fund Currency	EUR
Investment Period	The initial endowment of FOCO (€2 Billion) must be fully committed by the 30 th of June 2026. All the investment returns will be retained by the Fund and will be used to finance new investments beyond 2026.
Term of the Fund	Open ended Fund
Indirect Financing key conditions	<ul style="list-style-type: none"> a) FOCO shall invest in existing funds that invest in the sectors targeted by FOCO and shall be able to create tailor-made financing vehicles targeting the same sectors. b) The maximum participation of FOCO as LP in any fund or other investment vehicle shall not exceed 49 % of the total target fund size (in one or subsequent closings). c) FOCO's participation in a specific fund is compatible with that of other national public LPs located in the EU as long as the aggregate public share of national EU public LPs in the specific Fund does not exceed the 49 % of the total target fund or vehicle size. d) FOCO's commitment in any fund is compatible with EIF's commitments². e) The Fund will only invest in asset classes comparable in nature and terms to those of the co-investors.
Maximum and minimum eligible fund allocations	<ul style="list-style-type: none"> • FOCO may commit in each fund a maximum commitment of €150m. • The minimum aggregate amount to be invested in a specific fund shall be limited to €10 million.

¹ PERTE: Strategic Projects for Economic Recovery and Transformation are a public-private collaboration instrument in which the different public administrations, companies and research centers collaborate. Its objective is to promote large projects with the capability to boost economic growth, employment, and the competitiveness of the Spanish economy.

² EIF commitments will not be accounted for calculating the share of total publicly owned equity commitments in any given fund.



Eligible Investments

- a) Asset Management Companies (AMC):
- The AMC must be incorporated in an EU member state or the UK and registered or authorized by the corresponding local regulatory authority.
 - FOCO will have a preference for AMC who have managed several funds and has a track record closing and investing in similar funds. Although funds managed by investments teams with a strong track record in previous and similar funds would also be eligible.
 - The AMC and the Fund, if incorporated, should comply with the solvency capital requirements demanded by the UK or EU member State regulatory body, when required by the corresponding applicable legislation and by the applicable regulations, in addition to the absence of any outstanding sanction proceedings.
 - The management team and/or the AMC shall commit at least 1,0% of the Fund's size. Only commitments signed by the AMC, the management team and/or a vehicle 100% owned by them, will be considered valid towards reaching the required 1,0%. Commitments from other investors with an ownership stake in the AMC shall not be considered.
 - The AMC should demonstrate either a solid track record fundraising with non-Spanish LPs or the capacity to do so.
 - The AMC should have a track record investing in Spain or demonstrate the capacity to invest in Spain and implement the corresponding investment strategy, which shall include Spain as a geography for the proposed Fund investments.
 - The AMC of the funds should be at least 51% privately owned.
 - The AMC shall comply with the above-mentioned requirements at the time of submitting the proposal and during the entire FOCO's participation in the Fund.
- b) Investment Vehicles:
- FOCO shall directly co-invest with third-party foreign investors in Funds that have committed to invest in Spain's strategic economic sectors.
 - Private Equity, Infrastructure Funds, Venture Capital, Private Debt and Venture Debt. The investment period for Private Debt and Venture Debt must conclude before June 2026.
 - Target fund size \geq €100m.
 - Currency: EUR
 - Strategy:
 - Generalist³ or sector focused.
 - Mainly growth, not excluding buy-out strategies as a complement to the main growth strategy or Scale Up.
 - Equity, and/or quasi-equity (mezzanine) and debt.
 - Maximum 25% of the Fund to be invested in a single investee. Funds that are or will be incorporated in an EU member state or the UK and registered or authorized with the CNMV or, when required by the applicable legislation, under the corresponding local regulatory authority.
 - The Fund's legal documentation must explicitly reflect that the fund shall not invest directly or indirectly in companies whose activity is

³ Generalist Funds shall be required to allocate an amount twice that of the co-investment by FOCO in the eligible industries described in Annex III of this document.

	<p>included in those listed in Annex I (List of excluded activities and assets).</p> <ul style="list-style-type: none"> • Fee structure (indicative): <ul style="list-style-type: none"> ○ Management fees: ≤ 2,5% ○ Carried Interest: ≤ 20%. ○ Hurdle rate for equity funds ≥ 8% and ≥ 5% for debt funds. <p>c) <u>Investment Teams:</u></p> <ul style="list-style-type: none"> • At least two investment team professionals of the Fund (partner / director) must have been investment team members of a previous fund managed by the AMC during its whole investment period or the investment team should have significant experience working together and a stablished track record in other AMCs managing equivalent funds during their whole investment periods. <p>d) <u>Eligible Co-Investors:</u></p> <p>Third-party co-investors may include, among others:</p> <ul style="list-style-type: none"> • Foreign public institutions, such as public pension funds, sovereign and sub-sovereign funds, multilateral institutions investing in private capital markets (such as the European Investment Fund). • Foreign private long-term institutional investors such as investment funds, pension funds or insurance companies. • Foreign private investors such as international family offices. • Domestic private investment vehicles and entities, provided that they mobilize financial resources from foreign private investors. <p>e) <u>Co-investment conditions:</u></p> <ul style="list-style-type: none"> • The amount contributed by foreign co-investors shall be at least equivalent to the FOCO contribution. • The contribution by foreign co-investors shall be on <i>pari-passu</i> terms. • ≥ 2x of FOCO's committed capital shall be invested in eligible investees in Spain as defined in Annex II. <p>f) <u>Other criteria:</u></p> <p>The Fund's investments shall:</p> <ul style="list-style-type: none"> • Comply with the 'Do No Significant Harm' (DNSH) principle as set out in the DNSH Technical Guidance (C/2023/111). • Comply with the list of excluded activities, as further described in Annex I. • Fund managers will be required to have independent auditors carry out ex-post controls on the effective compliance with the DNSH principle of funded projects and with the relevant environmental legislation, both at EU and national level, for all projects. • Comply with the Spanish Law 19/2003 and Royal Decree 571/2023 regarding foreign investments. • Comply with relevant national and EU standards and legislation, as applicable, on the prevention of money laundering, the fight against terrorism, tax fraud, tax evasion and artificial arrangements aiming at tax avoidance and shall not perform any illegal activities. <ul style="list-style-type: none"> • Comply with Art 22 of the Regulation 2021/241 of the EU establishing the Recovery and Resilience Facility, in particular with those provisions regarding the collection of data related to beneficial owners and keeping
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	<p>the transaction records in accordance with Article 132 of the Financial Regulation.</p> <p>g) <u>Excluded Funds:</u></p> <ul style="list-style-type: none"> • Contains in its portfolio a company which has a business activity that is in the list of excluded activities and assets of Annex I. <p>h) <u>Funds Underlying Eligible Investees</u></p> <ul style="list-style-type: none"> • Private companies aligned with the target sectors which perform activities and investments in Spain and comply with the criteria listed in Annex I and Annex II. • Existing entities or newly created companies incorporated in the European Union and with work centers in Spain, irrespective of its shareholding structure. Company holdings of final beneficiaries could be incorporated in any jurisdiction not excluded in Annex II. • Private companies that comply with the eligibility criteria detailed in Annex II. 																
LP's Rights	FOCO shall appoint, if applicable, an Advisory Committee member.																
Duration of Investment	Up to 10 years.																
Application process/Information request	<p>Interested AMCs shall make available to COFIDES the proposal including all the documentation requested in Annex III covering, among others, the points listed below:</p> <table border="0" data-bbox="454 1010 1412 1332"> <tr> <td>-Management team CVs</td> <td>-Geographical scope</td> </tr> <tr> <td>-Composition of the investment committee of the fund/Senior investment team</td> <td>-Fund size</td> </tr> <tr> <td>-Investment Strategy</td> <td>-Legal/governance structure</td> </tr> <tr> <td>-Track record (both AMC and investment team)</td> <td>-Proposed terms</td> </tr> <tr> <td>-Target sectors</td> <td>-Expected returns</td> </tr> <tr> <td>-Deal Flow (One pager)</td> <td>-Other investor(s) (recurring investors from previous funds)</td> </tr> <tr> <td></td> <td>-Timing of fund raising</td> </tr> <tr> <td></td> <td>-Exit Strategy</td> </tr> </table> <p>Pre-selected Funds/AMC will progress to the due diligence process, which will be carried out in accordance with COFIDES internal rules and procedures.</p>	-Management team CVs	-Geographical scope	-Composition of the investment committee of the fund/Senior investment team	-Fund size	-Investment Strategy	-Legal/governance structure	-Track record (both AMC and investment team)	-Proposed terms	-Target sectors	-Expected returns	-Deal Flow (One pager)	-Other investor(s) (recurring investors from previous funds)		-Timing of fund raising		-Exit Strategy
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Annex I

List of excluded activities and assets

The following list of activities and assets shall be excluded from eligibility by the Fund:

In case of loans, project bonds or equivalent instruments:

- Activities and assets related to fossil fuels, including downstream use, except for projects under this measure in power and/or heat generation, as well as related transmission and distribution infrastructure, using natural gas, that are compliant with the conditions set out in Annex III of the 'Do no significant harm' Technical Guidance (C/2023/111).
- Activities and assets under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks. Where the activity supported achieves projected greenhouse gas emissions that are not significantly lower than the relevant benchmarks an explanation of the reasons why this is not possible shall be provided. Benchmarks established for free allocation for activities falling within the scope of the Emissions Trading System, as set out in the Commission Implementing Regulation (EU) 2021/447.
- Activities and assets related to waste landfills, incinerators, and mechanical biological treatment plants.

This exclusion does not apply to actions under this measure in plants exclusively dedicated to treating non-recyclable hazardous waste, and to existing plants, where the actions under this measure are for the purpose of increasing energy efficiency, capturing exhaust gases for storage or use or recovering materials from incineration ashes, provided such actions under this measure do not result in an increase of the plants' waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

The following activities shall be excluded:

- Waste collection (NACE 38.1x)
- Waste treatment and disposal (NACE 38.2x)
- Processing of nuclear fuel (NACE 24.46)
- Production of nuclear energy (sub-activity of NACE 35.11)

This exclusion does not apply to actions under this measure in existing mechanical biological treatment plants, where the actions under this measure are for the purpose of increasing energy efficiency or retrofitting to recycling operations of separated waste to compost bio-waste and anaerobic digestion of bio-waste, provided such actions under this measure do not result in an increase of the plants' waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

- Activities and assets where the long-term disposal of waste may cause harm to the environment.
- A specific exclusion approach based on the NACE codes will be applied for the following activities:
 - (i) Fossil fuel-based energy production and related activities, as follows:
 - a) Coal mining, processing, transport and storage;
 - b) Oil exploration & production, refining, transport, distribution and storage;



- c) Natural gas exploration & production, liquefaction, regasification, transport, distribution and storage;
 - d) Electric power generation, exceeding the Emissions Performance Standard of 250 grams of CO₂e per kWh of electricity, applicable to fossil fuel-fired power and cogeneration plants, geothermal and hydropower plants with large reservoirs.
- (ii) Energy-intensive and/or high CO₂-emitting industries, as follows:
- a) Manufacture of other inorganic basic chemicals (NACE 20.13)
 - b) Manufacture of other organic basic chemicals (NACE 20.14)
 - c) Manufacture of fertilizers and nitrogen compounds (NACE 20.15)
 - d) Manufacture of plastics in primary forms (NACE 20.16)
 - e) Manufacture of cement (NACE 23.51)
 - f) Manufacture of basic iron and steel and of ferro-alloys (NACE 24.10)
 - g) Manufacture of tubes, pipes, hollow profiles and related fittings, of steel (NACE 24.20)
 - h) Manufacture of other products of first processing of steel (NACE 24.30, incl. 24.31-24.34)
 - i) Aluminum production (NACE 24.42)
 - j) Manufacture of conventionally-fuelled aircraft and related machinery (sub-activity of NACE 30.30)
 - k) Conventionally-fuelled air transport and airports and service activities incidental to conventionally-fuelled air transportation (sub-activities of NACE 51.10, 51.21 and 52.23).

Notwithstanding the above, investments in sectors mentioned in sections (i) and (ii), shall be allowed if the fund manager confirms that the specific final recipient transaction qualifies as environmentally sustainable investments as defined in the “EU taxonomy for sustainable activities” (Regulation (EU) 2020/852, as amended from time to time) as supplemented by the technical screening criteria established under the “EU Taxonomy Delegated Acts” (Commission delegated Regulations (EU) supplementing Regulation (EU) 2020/852 or upcoming Taxonomy Delegated Acts, as amended from time to time, respectively).

Restrictions related to polluting vehicles: the fund manager shall request the financial intermediaries to ensure that the Final Recipients with a ‘substantial focus’ on the production, rental or sale of ‘polluting vehicles’ are excluded by the eligibility under this instrument, or - alternatively - are required to adopt and publish green transition plans.

It is considered that a Final Recipient has a “substantial focus” on a sector or business activity if the Final Recipient derives more than 50% of their revenues during the preceding financial year from activities and/or assets related to production, rental or sale of polluting vehicles.

Production, rental or sale of polluting vehicles is considered any activity that concerns the:

- Manufacture of combustion engine vehicles (sub-activity of NACE 29.10 Manufacture of motor vehicles).
- Wholesale and retail trade of polluting vehicles (sub-activities of NACE codes 45.11 Sale of cars and light motor vehicles, 45.19 Sale of other motor vehicles).
- Rental and leasing of polluting vehicles (sub-activities of NACE 77.11 Renting and leasing of cars and light motor vehicles, 77.12 Renting and leasing of trucks).

Polluting vehicles: “Polluting vehicles” are defined as:

- Vehicles exceeding the threshold of 50g CO₂/km (M1 passenger cars and N1 light-duty vehicles).
- Trucks and other heavy-duty vehicles e.g., tractors (i.e., categories N2 and N3) - only zero-emission, low-emission (as defined in Article 3(12) of Regulation (EU) 2019/1242:



with CO2 emissions of less than half of the reference CO2 emissions of all vehicles in the vehicle sub-group; reference values differ depending on the type of truck).

- Buses:
 - ‘Low-floor’ buses (M2 and M3 categories, typically urban and suburban buses running on short distances within an agglomeration). Only electric and plug-in hybrid buses would be DNSH-compliant.
 - ‘High-floor’ buses (M2 and M3 categories, typically inter-urban coaches): all coaches that comply with the latest step with respect to pollutant emissions from heavy-duty vehicles under EURO VI (EURO VI-E) would be DNSH compliant.

In the case of equity, quasi-equity, corporate bonds or equivalent instruments:

Companies with a substantial focus⁴ in the following sectors shall be excluded:

- i. Fossil fuel-based energy production and related activities. Except for (a) assets and activities under this measure in the generation of electricity and/or heat, as well as the related transmission and distribution infrastructure, that use natural gas and that comply with the conditions established in Annex III of the Technical Guide “Do not cause significant damage” (C/2023/111) and (b) activities and assets in energy-intensive and/or high CO2-emitting industries for which the use of fossil fuels is temporary and technically unavoidable for timely transition towards a fossil fuel-free operation.
- ii. Energy-intensive and/or high CO2-emitting industries. Including activities and assets under the Community Emissions Trading Scheme (ETS) that achieve projected greenhouse gas emissions that are not lower than the relevant reference values. Where the supported activity achieves projected greenhouse gas emissions that are not significantly lower than the relevant benchmarks, and explanation of the reasons why this is not possible will be provided. The reference values established for the free allocation of activities included in the scope of the emissions trading scheme, as set out in Commission Implementing Regulation (EU) 2021/447.

A specific exclusion approach based on NACE codes will be applied for the following activities:

- (i) Energy production from fossil fuels and related activities, such as:
 - a) Coal mining, processing, transportation and storage;
 - b) Oil exploration and production, refining, transportation, distribution and storage;
 - c) Exploration and production of natural gas, liquefaction, regasification, transportation, distribution and storage;
 - d) Generation of electrical energy, which exceeds the emissions performance standard set at 250 grams of CO₂eq per kWh of electricity, applicable to electrical power and cogeneration plants that use fossil fuels, geothermal and hydroelectric plants with large reservoirs.
- (ii) Energy-intensive industries and/or large CO2 emitters, such as:
 - a) Manufacture of other inorganic basic chemicals (NACE 20.13)
 - b) Manufacture of other organic basic chemicals (NACE 20.14)
 - c) Manufacture of fertilizers and nitrogen compounds (NACE 20.15)

⁴ It is considered that a Final Recipient has a “substantial focus” on a sector or business activity if such sector or activity is identified as an essential part of the business of the Final Recipient respectively in relation to the gross receipts, profits or customer base of the Final Recipient. The gross income generated by the restricted sector or activity will not exceed, in any case, 50% of the gross income.



- d) Manufacture of plastics in primary forms (NACE 20.16)
- e) Manufacture of cement (NACE 23.51)
- f) Manufacture of basic iron and steel and of ferro-alloys (NACE 24.10)
- g) Manufacture of tubes, pipes, hollow profiles and related fittings, of steel (NACE 24.20)
- h) Manufacture of other products of first processing of steel (NACE 24.30, incl. 24.31-24.34)
- i) Aluminum production (NACE 24.42)
- j) Manufacture of conventionally-fuelled aircraft and related machinery (sub-activity of NACE 30.30)
- k) Conventionally-fuelled air transport and airports and service activities incidental to conventionally-fuelled air transportation (sub-activities of NACE 51.10, 51.21 and 52.23).

Notwithstanding the above, investments in sectors mentioned in sections (i) and (ii), shall be allowed if the fund manager confirms that the specific final recipient transaction qualifies as environmentally sustainable investments as defined in the “EU taxonomy for sustainable activities” (Regulation (EU) 2020/852, as amended from time to time) as supplemented by the technical screening criteria established under the “EU Taxonomy Delegated Acts” (Commission delegated Regulations (EU) supplementing Regulation (EU) 2020/852 or upcoming Taxonomy Delegated Acts, as amended from time to time, respectively).

iii. Production, rental or sale of polluting vehicles. Polluting vehicles are defined as vehicles without zero emissions.

iv. Collection, treatment and disposal of waste. This exclusion does not apply to actions under this measure in plants exclusively dedicated to treating non-recyclable hazardous waste, and to existing plants, where the actions under this measure are for the purpose of increasing energy efficiency, capturing exhaust gases for storage or use or recovering materials from incineration ashes, provided such actions under this measure do not result in an increase of the plants’ waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

v. Processing of nuclear fuel and production of nuclear energy.

Annex II

Funds Underlying Eligible Investees

- i. To be eligible as a beneficiary of any of the Fund's financial instruments or investment or financing provided by the Fund, a company must meet the following requirements:
 - a) Be a private and non-financial company.
 - b) Be incorporated in the EU and have a work center in Spain associated to the investment supported by the Fund, irrespective of its shareholding structure, their size and ownership of capital. Although, company holdings of final beneficiaries could be incorporated in any jurisdiction not legally classified as a tax haven.
 - c) For beneficiaries or the beneficial owners of the beneficiaries whose tax residence is in a country or territory legally classified as a tax haven or, for the beneficiaries who have direct or indirect participation in companies with tax residence in a country or territory regulated by regulations as a risk or non-cooperative jurisdiction, an analysis will be performed on a case-by-case basis. For these purposes, indirect participation is understood to be the actual ownership of shares or participations that allows control over the entity.
 - d) Have not been sentenced by a final sentence for specific crimes, including prevarication, bribery, embezzlement of public funds, influence peddling, fraud, illegal exactions, or urban planning or environmental crimes.
 - e) Not have caused the final termination of any contract with the Administration due to guilt.
 - f) Be up to date with payment of obligations for the reimbursement of subsidies or public aid.
 - g) Be up to date with compliance with tax and Social Security obligations.
 - h) Not have requested voluntary bankruptcy; not have been declared insolvent in any procedure; not be declared bankrupt unless an agreement has become effective in this case; not be subject to judicial intervention or disqualification in accordance with Law 22/2003, of July 9, Bankruptcy, without the period of disqualification established in the bankruptcy qualification ruling having concluded.
- ii. Instrumental companies created in Spain by a promoter, whether they are of national or foreign origin, will also be eligible to execute projects aligned with the objectives of the Fund, provided that they meet the requirements mentioned in the previous points.
- iii. The Fund will finance productive investment projects in Spain carried out by private companies that comply with the criteria mentioned in this Annex, and the Fund's resources will not be used to invest in projects abroad.
- iv. Investments shall be made in any sector that contributes to the achievement of the Fund's objectives as indicated in the corresponding measure of the CID approved by the European Council on October 17, 2023. The activities and assets indicated in **Annex I** will be excluded. Likewise, investment operations that arise in the real estate sector will not be eligible for support from the Fund, unless they are directly affected by a different business activity.

Annex III

Target Industries and Sectors

The following list presents FOCO's list of eligible industries, sectors and activities including those tied to the green and digital transitions and those included in the PERTEs, as well as other strategic economic activities that are included in the Spanish Recovery and Resiliency Plan:

- I. **Sustainable Mobility:** Transportation systems and practices that minimize environmental impact, promote efficiency, and enhance social equity. It encompasses various modes of transportation designed to reduce reliance on fossil fuels, decrease pollution, and mitigate congestion while providing accessible and affordable options.
 - i. Development and production of auto parts and equipment that improve fuel efficiency, reduce emissions and support alternative propulsion systems such as electric and hydrogen-powered vehicles.
 - ii. Automobile and motorcycle manufacturers by designing and producing vehicles with lower carbon footprints, embracing eco-friendly materials.
 - iii. Railways which offer an efficient and low-emission transportation for both passengers and freight, reducing congestion on roads and highways.
 - iv. Buses, particularly those powered by clean energy sources like electricity or hydrogen, reducing individual car usage and emissions in urban areas.

- II. **Sustainable Agriculture:** Farming practices that prioritize environmental stewardship, social responsibility, and economic viability. It involves cultivating crops and raising livestock while conserving natural resources, minimizing environmental impact and promoting farmer and community well-being, ensuring long-term health and resilience in food production systems while meeting the needs of present and future generations. It includes subsectors such as:
 - i. Agriculture products produced by sustainable methods such as organic farming and fair-trade practices to maintain soil fertility and prevent erosion.
 - ii. Foodtech innovation.
 - iii. Agricultural chemicals whose application help to minimize adverse effects on soil, water and biodiversity.

- III. **Sustainable Infrastructure** and construction that prioritize environmentally friendly practices, social responsibility, and economic viability in building projects. It includes subsectors such as:
 - i. Construction materials sourced and manufactured with minimal impact, often using recycled or renewable materials.
 - ii. Prefabricated buildings which offer an efficient and sustainable construction solution by reducing material waste, energy use, and construction time on-site.
 - iii. Water-related projects such as water treatment facilities, wastewater management systems, and sustainable water supply infrastructure, ensuring efficient use of water resources and promoting water conservation.



- IV. **Renewable Energies:** Technologies focused on reducing or eliminating the negative environmental impact (*Cleantech*). Include solar, wind, hydroelectric and geothermal power, which harness natural processes to generate electricity without producing greenhouse gas emissions or depleting finite resources, contributing to climate change mitigation. It includes subsectors such as:
- i. Alternative energies involving emerging technologies such as tidal and wave energy, biomass, and hydrogen fuel cells, offering additional options for sustainable energy generation.
 - ii. Energy storage solutions, such as batteries, pumped hydro storage, and thermal energy.
- V. **Industrial goods** produced sustainably prioritize environmentally friendly practice (circular economy), social responsibility, and economic viability in manufacturing processes to reduce the footprint of industrial infrastructure. It includes subsectors such as:
- i. Sustainable production of batteries, optical fiber, analytical instruments, machinery, and industrial equipment using materials and processes that minimize environmental impact, such as energy-efficient manufacturing and recyclable materials.
 - ii. Industrial services offered on providing solutions that optimize resource use, reduce waste, and enhance efficiency in industrial operations.
 - iii. Recycling equipment key in sustainable management of waste by facilitating the sorting, processing, and recycling of materials to minimize landfill waste and conserve resources. Among them, paper products and recycled fibers.
 - iv. Design, development and production of aircraft, spacecraft, defense systems and related components⁵.
- VI. **Digital Transformation:** Leveraging technology to modernize processes, enhance efficiency, and improve business outcomes across various industries. It includes subsectors such as:
- i. Hardware which focuses on creating electronic devices and components with reduced energy consumption and longer lifespans.
 - ii. Search engines that facilitate digital access to information and services, promoting connectivity and knowledge sharing while adhering to privacy and data protection standards to safeguard user information.
 - iii. Production of semiconductors and transistors to enable the processing and transmission of data in electronic devices with increasing efficiency and miniaturization.
 - iv. Software solutions which provide applications and platforms for communication, collaboration and automation for users.
 - v. Cybersecurity measures to protect digital assets and infrastructure from threats as hacking, data breaches and malware, ensuring integrity and confidentiality of digital information.
 - vi. Telecommunication networks employing cable and satellite tech which enable distribution of digital content and communication services over vast distances, supporting global connectivity.
- VII. **Deep tech:** Encompasses advanced and disruptive technologies that drive innovation to generate significant impact across multiple industries and fields, such as Artificial Intelligence (AI), Machine Learning, Blockchain, Nanotechnology, Supercomputing, Space Tech, Internet of Things (IoT), Big Data, Data Centers and Robotics.

VIII. **Life Sciences:** Companies and/or projects that focus in studying and applying biological and medical knowledge to improve human health and well- being. Among them, Biotech, pharmaceutical development, genetics and advanced diagnostic and therapeutic treatment systems.

IX. **Audiovisual:** Movies and entertainment services.



Annex IV

Request of Proposal for FOCO's participation in Funds.

Interested Management Companies in the co-investment program must complete the following questionnaire and include all the information required.

The Management Company should have documentation that supports the accuracy of the information provided in the questionnaire. The following economic terms shall be those represented in the fund's documentation:

Questionnaire to be completed with the information required by COFIDES to analyze the Asset Management Company's investment proposals

A. Economic Terms Summary

1. Fund target size and hard cap:

The fund has a target size of [indicate an exact amount] Euros.

The fund has a hard cap of [indicate an exact amount] Euros.

2. Commitment requested from FOCO:

The fund requests a commitment from FOCO of [...]% of the fund size achieved, with a maximum of 150 million euro. FOCO's final committed amount will be always subjected to the commitment of the co-investor.

3. Target investment in eligible companies as defined in Annex II:

The fund commits to invest [...]% of its final size in FOCO's eligible companies and at least 2x FOCO's committed capital in eligible companies as defined in Annex II.

4. GP commitment to the fund:

The Management Company and /or the Management Team will commit to invest [...]% of the fund's final size.

5. Management fee:

The Management Company will commit to have a management fee of [...]% on committed capital during the investment period and thereafter, either the percentage or the base amount, will be reduced to market standard levels.

6. Carried Interest and hurdle Rate

The Management Company will propose a Carried interest of [...]% and a Hurdle Rate of [...]%.



B. General Information

1. Contact Information:

Please include if not provided in the teaser or other documents provided with the application contact information for the request, which should include a contact person name, position, address, telephone and email address.

2. Fund's Management Company Information:

General Partner name:	
Jurisdiction:	
Legal structure:	
Initial date of activity:	
Number and location of office/s:	

Please include the description of the Fund's Management Company corporate, organizational and ownership structure as well as any additional detail of the holding group structure, if applicable.

Please provide a certificate detailing the Management Company's shareholding ownership percentages, signed by the legal representative, with sufficient binding power.

Provide details of the shareholding structure of the entities making the commitment, as well as its relationship with both the management team and the Management Company.

Please provide the last three annual financial statements audited for the Management Company and the last annual financial statement audited for the fund, if incorporated.

3. Provide the fund's Management Company's shareholding detail: Add rows as necessary.

Shareholder Name	Ownership (%)	Public (YES/NO)	Private (YES/NO)	Comments

Please include the management organizational chart (specifying subsidiaries or affiliated entities) and details of any recent shift (last 5 years) or next to the management company's shareholding.

4. Fund's general information:

Fund name:	
Constitution date	
Legal structure:	
Jurisdiction:	
Investment strategy (geography, industry, sector, leverage ratios, majority/minority investment...):	
Name and position of the members of the investment team	
Fund target size (Euros):	
Fund Hard cap (Euros):	
Number of target investments:	
Latest closing date and size (Euros):	
Next closing date and size (Euros):	



Investment period:	
Fund term:	

Please include the detail of the fund’s structure as well as detail of any additional vehicles that may exist and their domicile, if applicable.

The fund requests to FOCO a commitment of [...] % of the fund size achieved, with a maximum of 150 million euros.

C. Quantitative Criteria

1. Investment strategy:

1.a) Management Company’s previous experience: Provide detailed information on previously and actively managed funds by the firm, under the structure of the Management Company presented as the participant. Add rows if necessary.

Fund	Size (million €)	Registration date	Country	Regulator	Registration number	Valuation as of December 31st, 2022 (Gross)	Valuation as of December 31st, 2022 (Net)
						MOIC and IRR	MOIC and IRR
..

1.b) Please attach the relevant documentation for each of the funds included above.

1.c) Describe how the manager and the team were initially formed and provide a brief history of how they have evolved to date. Provide a current organizational chart.

1.d) Please explain how the new fund has a consistency with previously managed funds: Provide detailed information on previously and actively managed funds by the firm, under the structure of the Management Company which is presenting the proposal.

1.e) Target investments in FOCO’s eligible investees:
The fund commits to invest [X%] of its final target size in FOCO’s eligible investees as described in Anex II and at least [X%] of FOCO’s committed capital is coming from foreign investors.

2. Team:

2.a) List all the members of the investment team and their position in the fund:

Investment team professional name	Position in the fund	% of time dedicated to the new fund

Please attach: (i) an organizational chart that includes the entire team responsible for the management of the fund, specifying the different areas and positions held by each of these professionals; and (ii) complete resumes on the executive personnel (partners / directors) involved in the Fund manager’s administration and operation in the following areas: Management, Investments, Administration/Finance, Compliance, Marketing, and Investor Relations. In the event there are any independent members of the investment committee, also provide resumes.

Also, include relevant information reflecting the existing relationship with the Management Company and the date in which that relationship started.

2.b) Fund’s executive team relevant experience:

- Provide information on all investment partners or directors as key investment professionals. In case of having carried out different job positions in the same firm, provide a breakdown of those positions;
- Provide biographical information on the executive team (partner / director) involved in the fund’s management;
- Include a list of the investments made by each executive team member (partner / director) and provide detail of the vehicle from which they were made.
- Please provide the fund’s executive team’s experience working together: Number of years that at least three members of the fund’s executive team (partner / director) have worked together.
- Please indicate the Management Company or management team’s commitment to the fund in % terms. If the commitment is made by an entity other than the Management Company, please provide details of its shareholding structure as well as its relationship with both the management team and the Management Company. Only commitments signed by the Management Company, the management team and/or a vehicle 100% owned by them, will be considered. Commitments from other investors with an ownership stake in the Management Company will not. The aforementioned commitment is required both on the target size of the fund and on the size of the vehicle in which FOCO will invest.

3. Track record:

3.a) List of Funds and investments: Please include all the information requested below for each of the funds that have been managed prior to the new fund proposed. All requested information should be updated as of December 31st, 2022.

Company	Geography	Investment date	Exit date	Invested capital	Realized capital	Multiple on invested capital (MOIC)	IRR
[Fund I]							
Fully exited investments							
Total - fully exited investments							
Unrealized investments							
Total Fund I - fully realized and unrealized inv.							
Total Fund I - fully realized and unrealized inv.							

3b) Investments in Spain or Capacity to invest in Spain.

Please provide historical information including the data in point 3a) about investments in Spain or an alternative explanation and information about the AMC’s capacity to invest in Spain in line with the proposed investment strategy and the amount requested to FOCO.



3.c) Companies to be exited.

Prior Funds		New Fund
Exited companies – all prior funds	Companies pending to be exited – all prior funds	Estimated companies to be invested in the new fund

4. Investor base and fundraising strategy:

4.a) Level of foreign and institutional LPs (investors) and detail of the capital raised to date: Add rows as necessary.

Investor name	Type of investor		Country	Commitment (exact amount in €)
	Institutional/ Particular/ management team	Public/ Private		

- Please include signed letters of intent from all investors' commitments mentioned in this questionnaire.
- Commitments must be represented by a signed letter of intent, indicating the validity of the same, by each investor whose commitment may only be subject to legal due diligence. Furthermore, in the event that a closing has already occurred, please include each of the subscription agreements and confirm the actual amount subscribed and drawn down at the time the Management Company submits its investment proposal including the documentation of each investor.
- Describe the fundraising strategy of the fund, including the type of investors to be targeted. Provide detail of the intended schedule and amounts of the fundraising plan. Describe the extent to which you may use intermediaries to assist in raising capital for the fund. Indicate if there has been any shift in strategy compared to previous fundraising.
- Identify your major / key investors in previous and current funds.
- Please indicate if there is a maximum fund size or hard cap, the minimum size at which the fund would be viable and the term of the fund.
- In the event that a closing has already occurred, please include each of the subscription agreements and confirm the actual amount subscribed and drawn down at the time the participant submits the proposal including the documentation of each investor.

D. Qualitative Criteria

1. Fund's Investment Strategy:

Please describe the general investment strategy for the fund, specifying the primary reasons for the selection of this strategy.



2. Management team structure and capacity:

2.a) Team capacity:

- Please provide the total number of employees and investment professionals the firm employs. Detail specific tasks that professionals perform regarding: (i) the management of the legacy portfolio and the investments in the new fund, (ii) monitoring the portfolio of the new fund after the investment, and (iii) fundraising activities of the new fund or other projects
- Please list the number of board seats currently held by each member of the team, and discuss your opinion with regards to the capacity to meet current and future needs.

2.b) Executive member's turnover

- Please indicate any relevant change related to the senior investment team members (partner /director) during the last 10 years.

2.c) Team compensation.

- Describe the different team members' compensation structure (e.g., salary, bonus, profit sharing, carried interest, and others). For those funds in which the team receives a carried interest allocation please describe:
 - (i) how it was split amongst the management team in previous funds;
 - (ii) who made the decision and how and
 - (iii) how will the carried interest be split among the management team in this fund.

3. Decision making process:

3.a) Investment process.

- Describe the fund's investment selection / due diligence process. Provide a description of the different steps involved in reviewing and executing a transaction.

3.b) Decision making body / Investment Committee:

- Describe any governing / advisory body that will impact the management or investment activity of the fund. Indicate which individuals are responsible for approving/rejecting a potential investment, as well as, the decision making process and percentage of votes needed to approve an investment.

3.c) Investment memorandum.

- Please provide a sample of investment memorandum or report for a recent investment including Company Description, Market overview, Financial statements, Company valuation, Investment thesis, Business plan, Exit strategy, Estimated returns, Transaction structure, etc..., and detailing the valuation method used.

4. Fund/company reporting and monitoring:

4.1) Information provided on the quarterly report of managed funds.



- Please detail what type of information is provided to investors and how often it is facilitated. Indicate how many days after the end of the quarter you have to prepare the report. Indicate if there is data available online and whether the reporting meets the ILPA (International Limited Partnership Association) standards.
- Attach the most recent quarterly report and the last three annual financial statements audited for the existing funds managed by the firm.

4.2) Capital call and distribution notices.

- Detail what type of information capital call and distribution notices provide to investors. Discuss whether these notices meet ILPA (International Limited Partnership Association) standards.
- Please include examples of capital calls and distributions notices.

5. Portfolio valuation:

5.1) Describe the methods used for portfolio valuation purposes.

- Discuss whether the valuation standards recommended by the IPEV (International Private Equity and Venture Capital Valuation Guidelines) and/or EVCA (European Venture Capital Association Valuation Guidelines) are used as the basis for portfolio valuations. Indicate how frequently portfolio valuations are conducted.

6. Impact and Sustainability

6.1). Description of Environmental, Social, Governance (ESG) and employment principles.

Please indicate:

- which article is covered by your fund according to the Regulation (EU) 2019/2088 on financial sustainability-related disclosures (Article 8 or Article 9);
- whether your fund is signatory of UN PRI (United Nations Principles of Responsible Investment) and
- the Environmental, Social and Governance (ESG) principles implemented, describing the structure, incentives, key members, monitoring and reporting systems. Also explain the monitoring and whether if they are included in the investors' reports or if they have a separate report.
- Likewise regarding the invested companies, indicate the policies carried out regarding, among others, the following parameters: net job creation, high-skilled employment, permanent contract of employment, job creation for individuals older than 40, social integration and gender equality.

7 Investment plan.

- Discuss the current investment plan for the fund, describing how the opportunities are sourced and the investment details: description of the company, rationale for investment, plan to follow and any other information that is considered relevant.

8. Financial audit of the firm.

- Does the firm undergo an annual financial audit? If so, indicate the auditor, how often your firm is audited and the last audit. Has your firm changed auditors over the last three years? If so, indicate the reasons. Please elaborate on any material findings from your auditors in the last three years. Please, attach a copy of your audited financial statements.

9. Alignment and conflicts of interest.

- Describe how the fund and its investors' interests are aligned. Does the management company or its shareholders intend to commit a certain amount to the fund? In what proportion? Additionally, describe any potential conflict of interest. How do you plan to resolve potential conflicts of interest within the fund, or with other investment funds managed by your firm or its associated entities?

10. Legal actions.

- Disclose any business related legal actions against your firm, portfolio investments, and key officers for the past five years. If such legal action exists, attach a copy.

11. Marketing and legal materials.

- Include the Private Placement Memorandum or any other documentation for the current fund (if available), and one from your most recent previous fund (if appropriate / applicable); the fund's partnership agreements and subscription agreements (if available / applicable); and any side letters or special agreements established with existing investors in the fund. Include any marketing material considered desirable (recent presentations, teasers) which have been prepared and explain the investment opportunity.