

NON-BINDING TERM SHEET

Call INNOV-ID

This Term Sheet contains a summary of the terms and conditions, which are merely indicative, under which **Portugal Capital Ventures – Sociedade de Capital de Risco, S.A.** (hereinafter referred as to **Portugal Ventures**), in its capacity as the managing body of the VCF Portugal Ventures Valor 2, is considering investing in the company identified below.

This Term Sheet is not a binding or final investment proposal, which shall always be subject to compliance with any prior conditions precedent and a final agreement between the Parties as to the terms of the investment and their relationship as shareholders, under an Investment Agreement and a Shareholders' Agreement.

1. Parties	<p>1. Founders: ...</p> <p>2. Portugal Ventures ...</p> <p>3. Other investors: ...</p> <p>4. The COMPANY: ...</p>
2. The COMPANY	<p>... (hereinafter the COMPANY) is a private limited company/public limited company/company to be incorporated, with company tax number ..., registered at the ... Companies Registration Office and with registered office at ...</p>
3. Project	<p>The Founders submitted an application to the investment programme <i>Call INNOV-ID</i> for fostering venture capital investment in pre-seed, seed or early stage science and technology-based projects in the proof of concept, functional prototype or MVP ("Minimum Viable Product") development phase, aimed at expanding scientific and technological knowledge, promoting the transfer to companies and the transformation of this knowledge into innovation. The application was submitted through (name of Ignition Partner) for development of the project entitled .., as described in the scope of said application (the Project).</p>
4. Investment	<ul style="list-style-type: none"> • Total investment: €... • Founders: €..., by means of the subscription of shares that do not carry special rights/ordinary shares • VCF Portugal Ventures Valor 2: €100,001 by means of: <ul style="list-style-type: none"> • the subscription of one share, with a value of €1, that carries special rights/class A shares • convertible notes, convertible into class A shares, as decided by Portugal Ventures within 24 months following the investment, where Portugal Ventures proposes to have a minority interest in the share capital

	<ul style="list-style-type: none"> • The Founders shall be afforded a put option to acquire Portugal Ventures’ stake (capital and credits), within the first 18 months, for the amount invested plus 20%. <p>In cases where the COMPANY is a private limited company, it shall, at the time of conversion, be transformed into a public limited company.</p>
<p>5. Conditions Precedent</p>	<ul style="list-style-type: none"> • Companies that are already incorporated must have an “SME Certificate” issued by IAPMEI – the Portuguese Institute for Support to SMEs and Innovation; • Tax and Social Security clearance certificates must be provided, where applicable; • The Permanent Business Registration Certificate Code of the COMPANY, must be provided, where applicable; • Management reports or, alternatively, the simplified business information (IES) report from the past 2 financial years must be provided, where applicable; • Full conversion of shareholders’ financial debt into equity or quasi-equity instruments at the time of the Fund's investment, if any, with a unanimous written resolution of approval signed by all shareholders.
<p>6. Copyright and Intellectual Property and/or Industrial Property Rights</p>	<p>The Founders undertake to transfer to the COMPANY, free of charge, on the date of its incorporation/the capital increase subscribed by shareholders who acquire shares that carry special rights, any and all rights they own arising from patents, utility models, copyrights, model registrations, industrial designs, registered trademarks and any pending processes on the date of the incorporation of the COMPANY which may constitute such rights related to the Project and which may be considered necessary for the implementation and development thereof. The Founders and the COMPANY further undertake to ensure that any and all intellectual and/or industrial property rights relating or which may later relate to the Project shall always and at all times be owned by the COMPANY, free of any liens or encumbrances.</p>
<p>7. Representations and Warranties</p>	<p>Representations and warranties as regards the Founders, the Project and the COMPANY must be provided to Portugal Ventures, under the terms and conditions to be stipulated in the Shareholders’ Agreement.</p>
<p>8. Shareholders’ Agreement</p>	<p>On the date Portugal Ventures invests in the COMPANY an Investment Agreement and a Shareholders’ Agreement between all shareholders shall be executed to govern matters relating to corporate governance, the obligation to provide information periodically, limitations on the transfer of shares, the conversion of Portugal Ventures’ credits into equity, and divestment.</p>
<p>9. Corporate Governance</p>	<p>The management of the COMPANY will be entrusted to its management board, which shall be responsible for defining and monitoring the</p>

	operational and financial management of the COMPANY , in accordance with the provisions set forth in the Articles of Association and in the Shareholders' Agreement, in particular concerning matters that are mandatorily subject to resolution by the Shareholders' General Meeting ¹ .
10. Governing Bodies	<ul style="list-style-type: none"> • Management Board: Comprising two or three members, of which: <ul style="list-style-type: none"> • two shall be appointed by the Founders; • one by Portugal Ventures, if it so wishes, at any time; • Audit Committee (if applicable): To be put forward by the Founders and subject to approval by Portugal Ventures.
11. Inalienability of Equity Interests – Lock-Up	The shareholders may not sell their stake without consent from Portugal Ventures during the term of the Shareholders' Agreement.
12. Pre-emption Right in the Transfer of Shares	Portugal Ventures shall have a right of first refusal in the transfer of shareholdings without special rights attached thereto.
13. Liquidation Preference	(i) In any Liquidity Event, (ii) in the event of the dissolution or winding-up of the COMPANY , the consideration received, or the assets to be distributed, shall firstly be divided by Portugal Ventures , under the terms and conditions to be stipulated in the Shareholders' Agreement. Where the consideration to be received under (i), or the assets to be distributed under (ii) result in the distribution of funds to the shareholders in an amount exceeding, respectively, 1.5x (in case of a Liquidity Event) or 1x (in case of a dissolution or winding-up) the total amount of the investment made by Portugal Ventures , the remainder shall be distributed <i>pro rata</i> among all shareholders, according to the percentage of the shares they hold. All other terms and conditions shall be stipulated in the Shareholders' Agreement.
14. Non-Compete and Exclusivity Pact	The Founders undertake to not carry out any other professional activities and to not compete with the COMPANY , except when authorised by Portugal Ventures , under the terms and conditions to be stipulated in the Shareholders' Agreement.

¹ Matters to be resolved at an SGM and approved, provided **Portugal Ventures** does not vote against them: The granting of any special rights to **members/shareholders**; amendments to the Articles of Association; changes in the share capital of the **COMPANY**; withdrawal of the pre-emption rights of members/shareholders; redemption of shares; acquisition and sale of own shares; approval of the **COMPANY**'s annual accounts and the appropriation of net income; distribution of dividends or any other assets to members/shareholders; substantial changes in the **COMPANY**'s business activity; authorisation for managers/directors to pursue competing activities; appointment of governing bodies and the setting of their respective remuneration.

<p>15. Capital Event</p>	<p>If, within 18 months from the date of the investment, there is a capital increase corresponding to at least double the amount it invested, Portugal Ventures may opt to convert into equity the convertible notes it holds over the COMPANY, with a discount of 20%, from the date of the investment, over the subscription price of said capital increase, with Portugal Ventures' holding a minority interest, but never less than 2%.</p>
<p>16. Walk away</p>	<p>Portugal Ventures reserves the right to sell, and the Founders undertake the obligation to purchase, for €10, the shares, convertible notes and credits held by Portugal Ventures.</p>
<p>17. Right to convert convertible notes into equity</p>	<p>If, within 24 months from the date of the investment, the capital increase provided for under paragraph 15 has not occurred, Portugal Ventures shall be entitled/may opt to convert into equity any credits/convertible notes it holds over the COMPANY, subject to external evaluation.</p>
<p>18. Mentoring²</p>	<p>The Founders accept that the Ignition Partner will appoint a mentor, who will provide mentoring and will be responsible for monitoring the activity of the COMPANY and provide quarterly reports to Portugal Ventures.</p>
<p>19. Amendments</p>	<p>The above terms and conditions may be amended as a result of the management rules of the Venture Capital Fund managed by Portugal Ventures that is a shareholder of the COMPANY, or any other rules imposed by the financing institutions of said Venture Capital Fund.</p>

² Following investment, the **COMPANY** shall pay €2,500 + VAT to the Ignition Partner who submitted the application and who will be responsible for providing mentoring.

(On behalf of the **Founders**)

(On behalf of **Portugal Ventures**)

(On behalf of **Other Investors, where applicable**)

(On behalf of the **COMPANY, if incorporated**)