

INVESTMENT POLICY

This document sets forth the investment policy of, and provides information about, Pol Finance LLC, a private equity fund, its objectives and investment strategy. We seek to ensure the highest risk-adjusted return for our investors/stockholders and all interested parties.

The fund's approach to the delivery of this objective includes responsible investment – an essential priority for all asset classes, sectors and markets in which we invest.

GENERAL DESCRIPTION

Pol Finance LLC is an innovative venture fund that primarily invests in high-tech Industry 4.0 companies. Also, the fund hedges against its risks through investment in financial and real markets.

Pursuant to its constituent documents, Pol Finance LLC shall be managed by the Board of Directors. The powers of the fund's stockholders and directors are strictly limited. Stockholders are responsible for the company's general strategy spelled out in the investment policy, whereas the Board of Directors oversees the day-to-day management and is in charge of such strategy implementation.

In accordance with the Cayman Islands laws and the requirements of the Cayman Islands Monetary Authority (CIMA), Pol Finance LLC is a regulated private equity fund and, therefore, it shall at least once year:

- engage an independent auditor to conduct an audit;
- prepare its financial statements in accordance with international standards (IFRS); and
- produce a valuation of its assets.

Pol Finance LLC believes that such measures taken by the regulator will allow for control to be exercised not only of the fund's proper operations in compliance with the effective statutory provisions, but also over the implementation of its investment policy.

Under the investment policy, the Board of Directors, the Risk Committee, the Investment Committee and subsidiary entities, when taking strategic investment decisions, will rely on the responsible investment principles (ESG), as such factors may affect the financial performance.

For the purposes of controlling cash flows, countering money-laundering and terrorist financing and ensuring compliance of Pol Finance LLC's business with the declared objectives and the Cayman Islands laws, the company will engage respective controllers.

In addition, a reserve fund will be established within Pol Finance LLC so as to ensure sustained performance and financial viability of both certain investment areas and the company in general.

BUSINESS OBJECTIVES

The objective of Pol Finance LLC's investment business is to create an attractive rate of return for stockholders primarily through long-term capital gain and/or dividend payments, capitalizing on investment opportunities available in the Industry 4.0 sector and reducing venture investment risks through diversification across the financial and real markets.

To this end, Pol Finance LLC pursues to provide equity, debt capital and equity-related investment capital (such as convertible loans) to private hi-tech companies (small and medium-sized) working in this sector that seek capital for growth and development (including for expansion into new markets).

Also, the fund may invest in publicly traded shares, bonds and derivatives listed on stock and commodity exchanges. Such investments are made along with additional debt or equity financing of the working capital of our subsidiary entity engaged in the supply of goods, works and services under tenders conducted pursuant to Russian Federal Law 44-FZ (*On Contracting in the Sphere of Procurements of Goods, Works and Services to Meet State and Municipal Needs*) and Russian Federal Law 223-FZ (*On Procurement of Goods, Works and Services by Certain Types of Legal Entities*).

Pol Finance LLC is not restricted to a territory where it will consider investment opportunities and the fund will study all geographic areas to the extent the respective investments match its investment criteria.

INVESTMENT AREAS

Primary:

- hi-tech Industry 4.0 companies.

Additional:

- financial markets; and
- government procurement.

INVESTEE SELECTION CRITERIA

The main criteria to select Industry 4.0 portfolio companies

- Investments are intended to support rapidly growing companies of small and medium capitalization operating in the developed markets of the USA, Asia and Europe, including Russia and the CIS, in order to increase their market share and achieve long-term value;
- A unique technology or niche featuring material growth potential and protected by barriers to entry;
- A professional motivated team of managers with proven expertise aiming to increase business value;
- High growth rates of the company's market ;
- A financially sustainable business with growing client's portfolio and revenue;
- The company must have an international market share;
- A transparent ownership structure allowing investors to control the revenues generated by the company;
- Availability of a detailed business development plan for the next 5 years, setting out an elaborated and well-defined business idea, a reasoned corporate development strategy, an R&D program, an investment plan, a marketing strategy, risk analysis and a calculation of the key technical and economic indicators of the financial model;
- An attractive valuation; and
- Availability of a clear exit strategy.

The main criteria to select assets in financial markets

- International trading platforms (exchanges);
- Highly rated brokers (rating from 'stable' to 'high');
- High liquidity;
- Trade with different investment horizon;
- Financial instruments:
 - first- and second-tier low volatility shares of public companies, with β ratio up to 1;
 - treasury and corporate bonds (major issuers), no defaults, maturity of no more than 5 years;
 - highly liquid underlying assets' futures.
- Indicators derived from:
 - analysis of in-house developed software;

- comprehensive analysis based on the issuers' financial position, dividend policies, analysis of multipliers, rate of return, price volatility, stock exchange historical data, and market participants' conduct; and
- analysis of the macroeconomic situation.

The main criteria to select contracts and suppliers to participate in tenders.

- Type of contracts: Russian Federal Laws 223-FZ and 44-FZ;
- Contract value: RUB 5–50 million;
- Contract term: 1–10 months;
- Scope of the terms of reference;
- Possibility to physically supply goods, works and services, i.e. availability of contractors;
- Contractors being in compliance with the safety criteria excluding the possibility of supplying poor quality goods, works and services, defaults, bankruptcy, cash and other losses, etc. Contractors must also have an actual office and their own production;
- Number of litigations in respect of the contractor and the customer and their outcome;
- Share of the contractor's direct costs shall not exceed 50–65%.
- Minimal contract profit margin – 11%.
- Ability to ensure a competitive low price;
- Industries in focus:
 - spare parts and assemblies;
 - stationery and printing;
 - construction and repair;
 - clothing, footwear and textile;
 - medicine;
 - computer hardware;
 - furniture;
 - equipment.

INVESTMENT STRATEGY

Pol Finance LLC's investment strategy involves staged and diversified investment in the primary area and hedging against the risks associated therewith. Hi-tech Industry 4.0 companies will be the primary investment area and the key return driver. The additional investment areas include financial and real markets and will serve as a capital protection strategy for venture investment.

Investment strategy for Industry 4.0 companies.

The fund's primary venture investment strategy will be focused on small and medium-sized hi-tech Industry 4.0 companies. Pol Finance LLC will act as a financial investor and will seek to secure blocking stakes and Board representation where it considers that the company and/or the fund will benefit from the respective appointments. Pol Finance LLC will consider making investments in lower than blocking stakes only where it sees ways to increase such stakes to blocking at a later stage. Investments will aim to support rapidly developing companies with an attractive valuation and confirmed growing demand for their products/technologies to increase the market share and achieve long-term value. In addition, the fund may invest in 'digital assets' defined as electronically stored right or title to digital or non-digital property or service, including, *inter alia*, intellectual property and software. To the extent appropriate, the fund plans to closely cooperate with the management of each company so as to focus on driving sales growth and the R&D function.

Investments may be made in combination with additional debt or equity financing and, where appropriate, in cooperation with other financial and/or strategic investors.

The fund is not restricted to a territory where it will consider investment opportunities and it will study all geographic areas to the extent the respective investments match its investment criteria.

Pol Finance LLC expects to generate return on investments through long-term capital gains and dividend payments by investees. The proposed exit strategy will be the key factor to be considered at the initial investment analysis stage. To this end, the Board of Directors will, to the extent necessary, consider the best way to sell shareholdings in portfolio companies. The fund expects to derive such revenue as follows:

- through the sale or merger of a company;
- through the sale of securities or stakes in a company by way of private placements; and
- through share buyback.

Pol Finance LLC believes that its typical investment horizon should allow sufficient time for portfolio investee companies to adequately benefit from capital and operating enhancements associated with the fund's investments. The target holding period shall be reviewed on a regular basis; however, it is expected to typically last from three to five years.

Investment criteria:

- a Smart Money investment at the Pre-A stage in the capital of a company or a joint venture or through a convertible loan;
- investment amount at the Pre-A stage: USD 100– 300 thousand;
- shareholding size at the Pre-A stage: 3–5% and/or 30–50% in a joint venture;
- investment in the company's capital at the A and B stages;
- investment amount at the A and B stages: USD 1,000–3,000 thousand;
- shareholding size at the A and B stages: 10–30%;
- investment holding horizon: 3–5-years;
- target return: 4x–6x return on investment.

Investment strategy for financial markets.

The fund will invest in publicly traded shares, bonds and derivatives listed on stock and commodity exchanges. Pol Finance LLC will seek to derive returns on long-term investments, and also exchange rate fluctuations, dividend payments, discount and coupon yield.

The fund will implement its investment strategy for financial markets through the balancing of its securities and derivatives portfolio which provides for two key strategies of trading in the stock and commodities markets, and the hedging of its portfolio limits. The forecast target indicators that the fund seeks to achieve to secure returns on its portfolio are 20–22% per year. For this purpose, acting on the basis of the generally accepted and in-house developed methods, the fund will analyze and appraise shares, bonds and futures, assess the overall risk and return in accordance with the target indicators and will invest and trade on stock and commodity exchanges with the use of an automated stop losses.

The main objective of Strategy 1 ("Concentrated") is to buy shares in public companies that show good financial performance and business growth rates, have a dominant market share and/or strong growth potential in their respective segments and are undervalued by the market. Pol Finance LLC believes that during a complete market cycle it will be able to generate more returns amid a lower fundamental risk

investing in companies that have already achieved success and proven their efficiency driven by leading industry goods and services, sustainable profit margins and strong management teams. Special attention will be given to the time of execution of orders to open and close buy and sell positions that will be subject to a thorough analysis of the market, price volatility, historical exchange data, market participants' conduct and the reports and sources available to Pol Finance LLC. No restrictions will be imposed on the size of public investee companies or on the term of investment therein. If Pol Finance LLC holds that growth of an investment in a particular public company reaches its peak or is likely to decline, the fund will consider selling such securities.

The objective of Strategy 2 ("Robert") is the algorithmic generation of return on intraday price fluctuations. Robert, a software platform, will be used to take and execute decisions to open and close positions. Robert's functionality will be used to create, test and launch new trading algorithms and to automate, manage and control the trading process. To reduce the risk of high market volatility, combinations of algorithmic strategies will be built so as to seek to ensure that an investment within such strategy is diversified as much as possible.

In order to protect the two primary investment strategies for financial markets, Pol Finance LLC will apply hedging techniques and will purchase treasury and corporate bonds with a maturity of up to 5 years to derive revenue from coupon payments and discount.

Investment criteria:

Strategy 1. Concentrated

- Exchange: stock
- Financial instruments: shares and bonds
- Investment size: 95% of capital invested in financial markets
- Type of trading: active portfolio investment
- Investment horizon: 1–12 months
- Target return: 20–22% per year
- Drawdown limit: 10%

Strategy 2. Robert

- Exchange: commodities, FORTS
- Financial instruments: futures and bonds
- Investment size: 5% of capital invested in financial markets
- Type of trading: algorithmic, intraday
- Investment horizon: 12 months
- Target return: 29–32% per year
- Drawdown limit: 10%

Investment strategy for government procurement.

The investment strategy for the government procurement market involves financing of the fund's subsidiary entity's participation in tenders held pursuant to Russian Federal Laws 223-FZ and 44-FZ and receipt of dividend income from such subsidiary's operations. For this purpose, Pol Finance LLC will aim to provide equity, debt, and equity-related investment capital. Investments may be made in combination with additional debt or equity financing and, where appropriate, in cooperation with other financial and/or strategic investors.

Pol Finance LLC's subsidiary will, on its own account, seek to bid in tenders held pursuant to Russian Federal Laws 223-FZ and 44-FZ on electronic trading platforms and, if successful, will supply goods/works/services pursuant to the terms of reference provided for in the respective contract.

The areas of government procurement under Russian Federal Laws 223-FZ and 44-FZ in which Pol Finance LLC's subsidiary will participate shall be defined on the basis of the existing and future demand in the sphere of government procurement, market understanding, the resources available to the company, including the accumulated experience and competencies of experts in the respective area, and the reports and sources available to the subsidiary entity. Employees of the subsidiary entity will aim to thoroughly analyze potential contracts and transactions and select tenders and suppliers in strict compliance with the selection criteria. The selection and decision-making processes in respect of participation in each tender shall be subject to a multi-stage approval procedure within the subsidiary under control of Pol Finance LLC's Risk Committee. In order to implement this strategy and reduce risks, the subsidiary entity will diversify the budget across several categories depending on the contract scope and will pay to its suppliers/contractors in instalments.

Investment criteria:**Subsidiary entity:**

- Tender type: Russian Federal Laws 223-FZ and 44-FZ
- Tender venue: electronic trading platforms
- Investment amount per contract: RUB 2–30 million
- Investment horizon: 1–10 months

Pol Finance LLC:

- Investment type: equity investments and debt financing
- Investment horizon: 12 months.
- Target return: 30–40% per year
- Drawdown limit: 30%

RESERVE CAPITAL

A reserve fund will be established within Pol Finance LLC so as to ensure sustained performance and financial viability of both certain investment areas and the company in general.

Sources of finance:

- investment funds in the amount of 6.5%, including:
 - financial markets: 2.8%;
 - government procurement: 3.7%;
- annual net profit of 10%.

Application and utility criteria.

If financial market and tender risks materialize, the above funds will be used to cover the drawdown limits applicable to these investment areas.

If financial market and tender risks do not materialize, the reserved funds will be invested in the US treasury bonds to receive additional income of 1-2% per year.

If risks do not materialize, upon cessation of Pol Finance LLC's business, all of the reserved funds together with its working capital, shall be accumulated in the fund's account and be applied to pay for Class B shares buyback.