ilte

Questions and answers on the Call

29 June 2026

The purpose of this document is to provide clarifications in relation to a Call for Expression of Interest selection of the funds managers for the implementation of the Financial Instrument “MILInvest 2”. The original intent of questions has been preserved in all cases.

Question 1

Topic/Section	**Maximum participation cap for Independent private investors** *The Call specifies minimum thresholds for Independent private investor participation: no less than 3% of the Pre-Seed Fund's total commitments and no less than 20% of the VC Fund's total commitments.*
Question	Does ILTE impose any maximum cap on the aggregate participation of Independent private investors in either the Pre-Seed Fund or the VC Fund?
Response/Clarification	No, Call and ILTE do not put any maximum cap on aggregate participation of independent private investors. Please note that terms and conditions for the MILInvest 2 (requirements for Pre-acceleration and Acceleration programs, number of investments, territory of investments and other) are applicable for the total Fund Group, including ILTE commitment and private capital commitment. Also, no single private Investor shall control, directly or indirectly, individually or jointly with its Affiliates, 50% or more of the Total Commitments.

Question 2

Topic/Section	**Independent private investors’ definition** *The Call defines an "Independent private investor" as defined in Article 2(72) of the General Block Exemption Regulation, and clarifies that "neither ILTE, the Fund Manager nor entities directly or indirectly associated with the Fund Manager shall be considered an independent private investor."*
Question	Please confirm whether the following entities would be classified as Independent private investors for the purposes of the Call: (1) The NATO Innovation Fund (NIF); (2) The European Bank for Reconstruction and Development (EBRD); and (3) The European Investment Fund (EIF); i.e., please clarify whether their participation would qualify under GBER Article 2(72) and whether any portion of their commitments could be counted toward the required Independent private investor thresholds.
Response/Clarification	Under the Article 2(72) of the GBER “the European Investment Bank, the European Investment Fund, an international financial institution in which a Member State is a shareholder, or a legal entity that carries out financial activities on a

	professional basis which has been given a mandate by a Member State or a Member State's entity at central, regional or local level to carry out development or promotional activities (national promotional bank or another promotional institution), will not be considered private investors for the purposes of this definition." Neither of mentioned entities (NIF, EBRD, EIF) are classified as Independent private investors.

Question 3

Topic/Section	**ILTE's participation at a subsequent closing** *The Business Plan requirements explicitly require disclosure of details of any existing funds under management, suggesting that the Call does not preclude an Applicant that already manages one or more existing funds from participating in this Selection.*
Question	If a Fund Manager, wishing to participate in the Selection, manages a fund and proceeds to a first closing of such fund, with the Independent private investor participation meeting the requirements of the Call, would ILTE be prepared to commit its allocation under MILInvest 2 at a second (or subsequent) closing, provided all eligibility and quality criteria are met at the time of such closing? If so, please clarify: (i) whether there is a maximum permissible interval between the first and second closing; and (ii) whether ILTE's participation at a later closing would be subject to any additional conditions or approvals beyond those applicable at first closing.
Response/Clarification	The Call does not preclude an Applicant that already manages one or more existing funds from participating in the Selection process. ILTE will assess the application in question based on the quality of management, investment strategy and proposed fund structure, in accordance with the requirements, targets and objectives of the Call. These include, but are not limited to, the establishment of a Fund Group (comprising a Pre-Seed Fund and a VC Fund), the implementing of Pre-acceleration and Acceleration programs, the requirement that at least 30% of the total amount invested by the VC fund be invested in final recipients of the Pre-Seed Fund, the territory of investment, and other requirements of the Call. ILTE may commit its allocation at a second or subsequent closing, provided that all eligibility and quality criteria are satisfied. It is expected that the final closing date will take place within 12 months of the execution of the Funding Agreement. For the avoidance of doubt, the equalization mechanism will not apply to ILTE in such circumstances.

Question 4

Topic/Section	**Calculation base for the 30% VC Fund investment obligation into Pre-Seed Fund Final Recipients** *The Call requires that the VC Fund invest into Pre-Seed Fund Final Recipients at least 30% of the total amount invested by the VC Fund.*

Question	Please clarify how the 30% investment threshold is calculated? Specifically, is the 30% requirement determined based on: i the total capital commitments to the VC Fund, including both ILTE's commitment and the commitments of all Independent private investors; ii the total capital actually invested by the VC Fund; or iii only the portion of the VC Fund financed by ILTE (i.e., the Financial Instrument allocation)?
Response/Clarification	Calculation base is the total amount actually invested by the VC Fund. The VC Fund shall invest into Pre-Seed Fund Final Recipients at least 30% of total amount invested by the VC Fund.

Question 5

Topic/Section	**Joint application by two Fund Managers** *The Call defines an "Applicant" as a "legal entity or a group of legal entities or natural persons applying to this Call." It further indicates that applicants are not required to have already established a legal entity that will act as the Fund Manager. The Call also envisages the selection of one or two Fund Managers.*
Question	Would ILTE consider an application submitted jointly by two separate legal entities acting as co-Fund Managers for a single Fund Group, where each entity assumes primary responsibility for one of the two funds (for example, one entity leading the Pre-Seed Fund and the other leading the VC Fund), while both entities participate in the governance of the Fund Group and share Investment Committee responsibilities? Such a structure would be intended to ensure the full-time dedication of key executives to their respective funds while combining the complementary qualifications, expertise, and experience of both management teams for the benefit of the Fund Group as a whole. If such a structure is permissible, could ILTE also clarify how the eligibility, qualification, and key-person requirements would be assessed in relation to the two entities and their respective teams?
Response/Clarification	An Applicant may be a legal entity or a group of legal entities or natural persons applying under this Call. There is no requirement for an Applicant to have established legal entity to act as a Fund Manager by the Application Deadline. However, the Call requires the Fund Manager to be licensed by the relevant financial supervisory authority prior to, or at the time of, executions of the Funding Agreement. ILTE envisages a single legal entity acting as the Fund Manager, managing the Fund Group and implementing the Financial Instrument by providing Pre-Acceleration Programs, Acceleration Programs, and making long-term equity and/or quasi-equity investments in accordance with the requirements of the Call. ILTE retains full discretion to select up to two Fund Managers for the implementation of the Financial Instrument.

Question 6

Topic/Section	**Exclusivity and conflicts of interest — Fund Manager managing a fund with an overlapping strategy** *The Call requires the Fund Manager to operate independently and to immediately disclose to the Advisory Committee any activities that could create actual or potential conflicts of interest. The Business Plan must include details of any existing activities that could generate conflicts of interest with the Fund Group or place time demands on team members, together with proposed mitigation measures.*
Question	Would an applicant be considered eligible to participate in the Call if it currently manages an existing fund whose investment strategy partially overlaps with that of the Fund Group (for example, in the defence and security sector), provided that the existing fund's investment period is expected to be substantially completed before the Fund Group commences its investment activities? We acknowledge that, following the selection of the Fund Manager, the investment period of the existing fund may not yet have fully expired. However, to our understanding, the Fund Group would initially focus on Pre-Acceleration Program and Acceleration Program activities and investments by the Pre-Seed Fund into early-stage MSEs, while the VC Fund would remain dormant for a period before making its first investment. Given that the existing fund would, during that period, be investing in seed or later-stage SMEs, no material conflict of interest should arise even during any period of co-existence of the three funds, as the active investment phase of the VC Fund would commence only after the investment period of the existing fund has ended. In such circumstances, would ILTE view the existence of the existing fund as an eligibility issue or a disqualifying conflict of interest, or would ILTE accept such Applicant's participation and assess the adequacy of the proposed mitigation measures under the Call, including under Quality Assessment Criterion 3.2?
Response/Clarification	An Applicant that currently manages an existing fund with investment strategy partially overlapping with that of the Fund Group may submit application under the Call. Applicants shall disclose details of all existing funds, the expected time commitment dedicated to both the existing funds and the Fund Group, any potential conflicts of interest and measures proposed to mitigate such conflicts. The Fund Group consists of the two funds that will operate in parallel. The implementation of the Pre-acceleration and Acceleration programs will not preclude the VC Fund from commencing investment upon completion of its first closing, as up to 70% of the total amount invested by the VC Fund may be invested in final recipients that have not previously received investment from the Pre-Seed Fund. It is expected that the Fund Manager will dedicate substantially all it’s time and resources to the management of the Fund Group. Please note that, during the Investment Period, all investment opportunities that could reasonably fall within the investment strategy of the Fund Group must first be directed to the Fund Group for investment consideration. Exclusivity and conflict of interest provisions will be comprehensively regulated in the Funding Agreement.