

## DAŽNIAUSIAI UŽDUODAMI KLAUSIMAI (DUK)

Kvietimas teikti paraiškas fondų valdytojams siekiant įgyvendinti finansinę priemonę „Akceleratorius 3“

Call for Expression of Interest (Call) for fund managers to implement the financial instrument „Accelerator 3“

1.	How many acceleration programs need to be conducted in total? And how many per year? Are there three programs in total, with one conducted per year?	The Fund Manager shall organize at least 3 Acceleration programs within a period of 3 years (with the possibility of 1 year extension) that take place in the Republic of Lithuania. Fund Manager shall decide on and shall propose in the business plan the frequency and timing of the programs.
2.	How many startups need to be accelerated per program?  Page 5 states that at least five (5) startups must be accelerated per program (three programs, one per year), which amounts to a total of 15 startups.  However, the document also mentions that acceleration services must be provided to at least 45 MSEs.	Acceleration program services should be provided to at least 45 MSEs, with a minimum of 5 recipients per one program.
3.	If we have a newly incorporated management company, but as a group of companies we have already established multiple funds, invested in startups through private entities, and set up and managed different acceleration programs, how can we apply for this CEO?  The CEO document states that it is possible to apply as a group of entities, even if the group itself is not a legal entity. How should we demonstrate that our group complies with the Quality Criteria (as outlined on page 11 and beyond)?	<i>Applicants are a legal entity or a group of legal entities or natural persons applying to this Call organized by ILTE. For the avoidance of doubt, there is no requirement to have already established a legal entity to act as a Fund Manager.</i>  Kindly review the Business Plan Requirements in Annex 3 when detailing the investment team experience, track record, fund structure and other relevant criteria.
4	Could you confirm when you plan to award the contract?  We ask this because the selected fund managers must establish the fund before or at the moment of signing the Funding Agreement (page 17).  Would the awarded participant have sufficient time to do so between the contract award and the signature of the Funding Agreement?	The duration of the selection process will depend on the number of applications received. ILTE aims to select the Fund Manager(s) within the remainder of the year 2025, with the signing of the Funding Agreement expected to take place within 3 to 6 months after the selection decision.
5	Should each fund manager establish both a pre-seed fund and a seed fund, or should each fund manager establish only one of the two? If each fund manager is required to establish	Each Fund Manager will set up two funds, the Pre-Seed Fund and the See-Fund, both as separate legal entities. Each Fund Manager will run their own Acceleration program under the Pre-Seed Fund.

	both funds, does this mean they will also need to set up and run two acceleration programs with the same scope and potential participants?	
6	<p>The document (Page 15) states that, at the moment of signing the investment agreement, an investment in a non-Lithuanian entity must contribute to Lithuania by creating jobs, producing goods and/or services, or paying taxes.</p> <p>How will these criteria be assessed? For example:</p> <ul style="list-style-type: none"> <li>▪ If we invest in a non-Lithuanian company, but part of their team is Lithuanian, does that count?</li> <li>▪ If the company we invest in opens a branch in Lithuania, does that meet the criteria?</li> </ul>	<p><i>The Pre-Seed Fund and the Seed Fund Final Recipients shall be established in the Republic of Lithuania or other European Union Member State and the benefits of such investments (initial or follow-on investments) shall accrue to Lithuania at the moment of each risk finance investment from the Pre-Seed Fund and the Seed Fund (the date on which the respective investment agreement is signed).</i></p> <p><i>It is considered that the benefit to Lithuania accrues, when the Final Recipient:</i></p> <ul style="list-style-type: none"> <li>• creates jobs in Lithuania; or</li> <li>• produces goods and (or) provides services in Lithuania; or</li> <li>• pays taxes, state social insurance and compulsory health insurance contributions to the budget of the Republic of Lithuania based on its activities.</li> </ul> <p>We anticipate that the Fund may consider investing in a non-Lithuanian company. For such an investment to be considered eligible, a substantial part of the company's team must be residents of Lithuania and pay taxes to the budget of the Republic of Lithuania. ILTE expects the Fund Manager to provide strong evidence to support this.</p> <p>If a company in which the Fund invests opens a branch in Lithuania, the investment will be considered eligible if residents are employed in the branch.</p>
7	What would be the consequences if the selected management company does not attract additional finance from independent private investors?	If the selected Fund Manager will not attract sufficient additional financing from the independent private investors, the first closing of the Fund will not take place, and ILTE will not provide funding. Fund Manager is required to present a fundraising strategy.
8	The experienced team that the management company should have if we apply with our group of entities can be employees from any of the companies of the group, right? Not necessarily the management company employees.	The composition of the management company is at the full discretion of the Fund Manager. Please review the requirements for the investment (management) team members, including experience, time dedication to the Fund, investment track record, conflict of interest, and other criteria.
9	On page number 8, it is stated that the ILTE may increase or decrease the financial instrument of €18.692M. Is there any limit or range established within which it can modify it at its discretion? Please explain which appropriate approvals you are referring to.	<p><i>During implementation of the Fund, ILTE may, with appropriate approvals, further determine to increase or decrease the funding allocated to the Fund and/or re-allocate any available amounts to maximize absorption of funding available for Final Recipients.</i></p> <p>Note, that ILTE may decide to increase or decrease the funding allocated to the Fund, while maintaining the total funding of the Financial Instrument. This right provides ILTE with the flexibility to respond to unforeseen circumstances or potential operational challenges with the Fund Manager, with the aim of maximizing the absorption of available funding for Final Recipients.</p>
10	The Fund Manager guarantees that, before December 31, 2029, at least 84% of the commitments have been invested.	If the Fund does not invest 84% of the commitments by December 31, 2029, it will be considered a breach of the Funding Agreement.

	What would be the consequence of failing to meet this requirement?	
11	Based on the statement 'Initial seed fund investment shall be made after or simultaneously with the initial pre-seed fund investment into the same final recipient,' when will each investment be made? Can these investments be independent, or are they linked by any conditions?	A Seed fund investment and a Pre-Seed fund investment are independent. If the Fund Manager considers both pre-seed and seed investment in the same Final Recipient, the initial investment must be made from the Pre-Seed Fund and may only be followed by the investment from the Seed Fund. We would like to draw your attention to the requirement set out in the part "Fund Objectives": <i>The Seed Fund shall invest into Pre-Seed Fund Final Recipients at least EUR 2.6 million of total amount invested by the Seed Fund.</i>
12	In the CEO document (page 18), it is mentioned that we need to specify the proposed management fee separately for the two funds, along with a detailed budget for the acceleration programs. ○ Could you please clarify how and when the costs and expenses of the acceleration program will be paid?	Costs and expenses of the acceleration program are part of the management fee and shall be financed from the management fee income. The proposed management fee (including all applicable taxes) and costs (which must cover all operating expenses of the Fund, including all applicable taxes), separate for the Pre-Seed Fund (including Acceleration program activities with detailed budget lines for each program) and the Seed Fund, and the calculation methodology shall be specified in the Business Plan.
13	We were unable to locate the following regulations mentioned in the CEO document: ○ Could you please share the link to them? ■ Law on Innovation Promotion Fund ■ State Aid Scheme approved by the Minister of Economy and Innovation of the Republic of Lithuania No.4-54 of 2025-02-11 ■ Law on National Development Institutions of the Republic of Lithuania	The links to the documents: <ul style="list-style-type: none"> <li>• Law on the Innovation Promotion Fund: <a href="https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/4b0dc926bad011ea9a12d0dada3ca61b/asr">https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/4b0dc926bad011ea9a12d0dada3ca61b/asr</a></li> <li>• State Aid Scheme approved by the Minister of Economy and Innovation of the Republic of Lithuania No.4-54 of 2025-02-11: <a href="https://e-seimasx.lrs.lt/portal/legalAct/lt/TAD/62eca5b2e8b711efaaf7b71596f7c8a4?jfwid=-j3bfjq6mq">https://e-seimasx.lrs.lt/portal/legalAct/lt/TAD/62eca5b2e8b711efaaf7b71596f7c8a4?jfwid=-j3bfjq6mq</a></li> <li>• We made an inaccurate reference to the Law on National Development Institutions of the Republic of Lithuania in Declaration Part B. The link to the National Promotional Bank of the Republic of Lithuania: <a href="https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/d0d7cbc2a1c411ef9db2c9aaf9c67042?jfwid=cebm762ny">https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/d0d7cbc2a1c411ef9db2c9aaf9c67042?jfwid=cebm762ny</a></li> <li>• Point in Declaration Part B will be amended as follows:  <ul style="list-style-type: none"> <li>i. Article 6(3) of the Law on National <del>Development Institutions</del> Promotional Bank of the Republic of Lithuania;</li> </ul> </li> </ul>
14	Please confirm that the Fund Manager will be able to subcontract part of the services (e.g. the running of the acceleration program) to an entity of the same group (In case the Fund Manager does not bid as a group of companies.)	Running the acceleration program can be subcontracted. Details of the acceleration program shall be described in Business Plan.
15	The CEO states that two different/separate funds should be incorporated by each Fund Manager selected. Is this a requirement? Would it be possible to establish just one fund that invests in both Pre-Seed and Seed.	The requirement of the Call is to establish two separate funds – the Pre-Seed Fund and the Seed Fund

16	<p>Please provide more detail on the escrow or security arrangements that may be required according to page 19 like when they need to be established, if there is a maximum amount or percentage of carried interest subject to escrow or security, and who will bear the associated costs.</p>	<p>Terms and conditions for the escrow or security arrangements will be detailed in the Funding Agreement. Standard Funding Agreement arrangements are that 100% of all carried interest distributions shall, until the relevant date be held in a segregated account in the name of the Fund. After the relevant date has occurred, 70% of all subsequent carried Interest distributions may be made to the carried interest vehicle.</p>
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