No.	Suggestion, question, comment	What Does the Comment Refer To	Answer
Proposed changes to the draft Call are highlighted in red			
1.	The Call does not specify the order in which the Innovation Promotion Fund and other Private Independent Investors should invest in the Fund. Could the Funding Agreement be implemented as a "second closing," wherein the Fund Manager establishes a Fund, Private Independent Investors invest first, and the Innovation Promotion Fund invests in a second round? We suggest to supplement the definition of "*Funding Agreement*" as follows: *"funding agreement entered into between the selected Fund Manager and INVEGA for the implementation of the Financial Instrument on the basis of this Call and the Selection. INVEGA, acting as manager of the Innovation Promotion Fund, will be an investor into the Fund. The Funding Agreement allows for the possibility of INVEGA investing in the Fund through a "second closing", which means subsequent to initial investments by other Fund investors.*".	*Funding agreement – funding agreement entered into between the selected Fund Manager and INVEGA for the implementation of the Financial Instrument on the basis of this Call and the Selection. INVEGA, acting as manager of the Innovation Promotion Fund, will be an investor into the Fund.*	Not taken into consideration. There is no restriction for INVEGA to invest into the Fund in “a second closing”, so the definition of the Funding agreement does not need to be changed. The Fund Manager and INVEGA can enter into Funding Agreement in the first or any subsequent closing of the Fund, as long as the Fund fulfils the requirements set in the Call and all the investments of the Fund are and shall be made into the eligible Final Recipients.
2.	Do we understand correctly that Applicants can express interest in and receive funding amounts lower than the indicative amount (EUR 20 million)? For instance, is it possible for a Fund to express interest and receive EUR 10 million or EUR 15 million? If correct, we suggest amending this sentence as follows: "Applicants can express their interest and receive a funding contribution of up to, but not more than, the full amount indicatively allocated to the Fund set out above."	*Applicants may express their interest for a funding contribution of up to, but not more than, the full amount indicatively allocated to the Fund set out above.*	Taken into consideration. The section “ACTION EXPECTED FROM THE SELECTED APPLICANT (FUND MANAGER)” of the Call is supplemented as follows: *Applicants can express their interest and receive a funding contribution of up to, but not more than, the full amount indicatively allocated to the Fund set out above.* Notwithstanding the above mentioned possibility, since INVEGA shall seek to select two Fund Managers and allocate the entire amount of the Financial Instrument, it is expected that the amount requested by the Applicant will be close to EUR 20 million.

3.	If funding lower than the indicative amount is possible, can more than two Applicants receive funding? For example, could two Applicants each receive EUR 10 million, while another Applicant receives EUR 20 million? If such a scenario is feasible, we suggest changing the term "*two Funds*" which is used repeatedly in the Call, to "*two or more Funds*" for clarity.	*Applicants may express their interest for a funding contribution of up to, but not more than, the full amount indicatively allocated to the Fund set out above.*	Not taken into consideration. INVEGA seeks to select two Fund Managers for the implementation of the Financial Instrument.
4.	4. It's currently unclear if the criteria specified in the Call, such as the amount to be invested in SMEs contributing to the implementation of the Smart Specialisation Concept, the number of Final Recipients, and the amount to be invested in Lithuania, are adjusted proportionally when an Applicant receives funding lower than the indicative amount (e.g., in case the Applicant receives EUR 10 million). Our opinion is that such criteria should be applied proportionally based on the investment granted according to the Financial Instrument. We propose supplementing this section of the Call with the following: "*In the case of a funding contribution of less than EUR 20 million, the quantitative criteria outlined in the Call (such as the amount to be invested in SMEs contributing to the implementation of the Smart Specialisation Concept, the number of Final Recipients, the amount to be invested within the territory of Lithuania) shall be applied proportionally to the granted investment according to the Financial Instrument.*"	*Applicants may express their interest for a funding contribution of up to, but not more than, the full amount indicatively allocated to the Fund set out above.*	Taken into consideration. The section "ACTION EXPECTED FROM THE SELECTED APPLICANT (FUND MANAGER)" of the Call is supplemented as follows: *In the case of a funding contribution of less than EUR 20 million, the quantitative criteria outlined in the Call (such as the number of Final Recipients as stated in Fund Objective, the amount to be invested within the Territory for investment as stated in Indicative funding allocation for the Financial Instrument) shall be applied proportionally to the granted investment according to the Financial Instrument.*
5.	It is not clear how the corresponding amount from other Fund investors will be calculated. In our opinion this restriction should be capped in cases when INVEGA's commitment is less than 60% of the total Fund size. We suggest clarifying that this investment requirement should only apply up to EUR 9.2 million received from	*The Fund Manager shall ensure that the Fund shall invest at least EUR 13,8 million of INVEGA's commitment and the corresponding amount from other Fund investors to the Final Recipients located (established and having main activities) in*	Taken into consideration. The section "Indicative funding allocation for the Financial Instrument" in Annex I "Terms and conditions for the Venture Capital Fund III" of the Call is supplemented as follows: *The Fund Manager shall ensure that by December 31, 2029, the Fund shall invest at least 70% of INVEGA's*

	other Fund investors, i.e. the maximum amount possible if independent private investors in the Fund make up 40% of the total Fund size (in case Invega's commitment is EUR 20 million). *"located (established and having main activities) in the Republic of Lithuania*" to "*located in the Territory for Investment*", as this term is defined and used in other parts of the Call. In light of the above, we suggest amending the second paragraph as follows: "*The Fund Manager shall ensure that the Fund shall invest at least EUR 13.8 million of INVEGA's commitment and at least EUR 9.2 million received from other Fund investors to the Final Recipients located in the Territory for Investment by 31 December 2029*." In this case, please take into account our previous comment that quantitative criteria should be applied proportionally based on the investment granted according to the Financial Instrument. If our previous suggestion about the criteria will not be taken into account we suggest amending the second paragraph as follows: "*The Fund Manager shall ensure that the Fund shall invest at least 69% of INVEGA's commitment and an amount from other Fund investors corresponding to 46% of INVEGA's commitment to the Final Recipients located (established and having main activities) in the Territory for Investment by 31 of December 2029."*	*the Republic of Lithuania by 31 of December 2029.*	*commitment and the corresponding amount from other Fund investors to the Final Recipients established in the Republic of Lithuania or other European Union countries and the benefits of such investments shall accrue to Lithuania.*
6.	First, we propose expanding the scope of eligible investments to include companies established not only in Lithuania but also in other European Union countries. Additionally, we recommend broadening the criteria for investment to encompass companies that not only have their primary activities in Lithuania but also those that create added value to Lithuania.	*Final Recipients shall be located (established and having main activities) in the Republic of Lithuania at the moment of each risk finance investment (initial or follow-on investment) from the Fund.*	Taken into consideration. The section "Territory for investment" in Annex I "Terms and conditions for the Venture Capital Fund III" of the Call is supplemented as follows: *The Final Recipients shall be established in the Republic of Lithuania or other European Union countries and the benefits of such investments (initial or follow-on investments) shall accrue to Lithuania at*

<table>
<tr><td></td><td>Second, this provision contradicts the rule stated in the definition of "Indicative funding allocation for the Financial Instrument" that territory restrictions will only apply to part of investments, and not to all investments of the Fund. This should also be clarified.

To implement this, we suggest changing the definition of "Territory for investment" as follows: "Final Recipients established in the European Union and having their main activities in the Republic of Lithuania and/or creating added value for the Republic of Lithuania.

Final Recipient having its main activities in the Republic of Lithuania means that Final Recipient has its main activities (i. e. the main part of its activities based on headcount, assets or primary focus of the Final Recipient's business activities) in the Republic of Lithuania or are planning to expand the operations into the Republic of Lithuania.

Final Recipient creating added value for the Republic of Lithuania means that Final Recipient contributes to the economic growth, innovation, employment opportunities, and/or sustainable development within the Republic of Lithuania.

For Final Recipients with expansion plans and early stage portfolio companies with insignificant operations, the assessment of their main activities and/or value creation shall be based on the Final Recipients' Business Plan at the time of the investment by the Fund."</td><td></td><td>the moment of each risk finance investment from the Fund (the date on which the respective investment agreement is signed).

It is considered that the benefit to Lithuania accrues, when the Final Recipient contributes:
to the creation of jobs in Lithuania; or
to the creation of goods produced, and services provided in Lithuania and/or increase in their export; or
to the payments of taxes, state social insurance and compulsory health insurance to the budget of the Republic of Lithuania on the basis of their activities.
The Fund may invest up to an amount equal to 100% of additional finance attracted from other investors (independent private investors, independent investors) of the Fund into Final Recipients that are established outside the Republic of Lithuania but within European Union and which shall not accrue the benefit to Lithuania provided that such investments shall not exceed 50% of the total amount invested by the Fund in Final Recipients.</td></tr>
<tr><td>7.</td><td>In our opinion, it is not clear what "moment of each risk finance investment" means.

To enhance clarity, we suggest adding a new definition for "Moment of Risk Finance Investment" and defining it as "The date on which the respective investment agreement is signed".</td><td>Final Recipients shall be located (established and having main activities) in the Republic of Lithuania at the moment of each risk finance investment (initial or follow-on investment) from the Fund.</td><td>Taken into consideration.
Please, see the answer to the question No. 6.</td></tr>
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8.	Please find our comment on the call regarding instrument „Ankstyvos stadijos ir plėtros fondas III. We strongly believe that in order to attract a successful fund management team fitting to manage a fund of such size, it is inevitable that the territory requirement be expanded to cover at least the Baltic states. Otherwise it is likely that the call participants will be first time teams with no previous experience in fund management while most successful teams in Lithuania and beyond will not agree to limit their own activities to only Lithuania as it would hinder their own professional development and market growth. Ultimately the very founders and startups who should benefit from such great instrument will suffer by getting investors who are not as experienced and high quality. We propose to utilise the market standard definition (between funds across the Baltics / New Nordics) that has also been used by Invega in the past: Territory requirements: The Fund shall have investment strategy with a strong focus on Lithuania. Subject to the Fund's selected strategy, the Fund shall meet the territory requirement described below (hereinafter – Territory Requirement). The Fund Manager shall ensure that the Fund on an aggregate basis shall invest in Final recipients located in Lithuania at least one (1,0) times the amount drawn down for the purpose of investments from INVEGA (i. e. excluding the amounts drawn down for the purpose to finance the Fund's management fee and/or expenses)	*Final Recipients shall be located (established and having main activities) in the Republic of Lithuania at the moment of each risk finance investment (initial or follow-on investment) from the Fund.*	Please, see the answer to the question No. 6
9.	We suggest to rephrase that "*The Fund shall attract additional finance from independent private investors and/or other public investors in accordance with the requirements of Article 21 of the General Block Exemption Regulation, but additional finance from independent private investors in the Fund will not be less that 40% of Invega commitment*".	**Independent private investors** *The Fund shall attract additional finance from independent private investors in accordance with the requirements of Article 21 of the General Block Exemption Regulation, but additional finance from independent private investors in the Fund will not be less than 40% of total Fund size.*	Not taken into consideration. Article 21 of the General Block Exemption Regulation sets the requirement for risk finance measures aimed at providing risk finance investments in the form of equity, quasi-equity or loans to eligible undertakings, that the public contribution provided to the financial intermediary shall leverage additional finance from *independent private investors* at the level of the financial intermediaries or the eligible undertakings.

			The independent private investors are defined in the Article 2 (72) of the General Block Exemption Regulation.
10.	Reduce the required Hurdle rate to 6%. Change to „not less than 6% per annum“.	Applicants are invited to include proposals in their Business Plan in relation to the Hurdle rate percentage (not less than 8% per annum), Carried Interest percentage and the catch up mechanism (if any) for the Fund Manager in relation to the Hurdle Rate.	Not taken into consideration. The Hurdle rate percentage (not less than 8 % per annum) is set according to the market practice.
11.	We propose allowing the fund to be established in another European Union country, with the condition that at least part of the fund's management team is based in Lithuania. This approach would allow the recruitment of an international fund management team and simplify the process of attracting investors from around the world. Our suggestion is to amend the term of "*Domiciliation of the Fund and Fund Manager*" as follows: "*The Fund shall be established under the laws of the Republic of Lithuania or another state of the European Union, provided that at least part of the management team is located within the Republic of Lithuania* *The Fund Manager and all related entities (e.g., investment advisor, carried interest vehicle) shall be established in the European Union*."	**Domiciliation of the Fund and Fund Manager.** *The Fund shall be established under the laws of the Republic of Lithuania. The Fund Manager and all related entities (e.g., investment advisor, carried interest vehicle) shall be established in the European Union.*	Not taken into consideration. Financial Instrument “Venture Capital Fund III” is supported by the European Regional Development Fund (ERDF). ERDF finance is dedicated for the development of Lithuania, thus the Fund Domiciliation shall be in Lithuania.
12.	Does this clause mean that if the Fund cannot receive funding from another public entity? If there are no restrictions preventing funding from another public entity, could the funds contributed by private independent investors be used to full fill the requirements established by both INVEGA and the other public entity?	**BUSINESS PLAN REQUIREMENTS** **Fund Investment Strategy** *Measures to avoid double funding from other public funding mechanisms in implementing investment.*	Not taken into consideration. The Final Recipient can receive support from another public entity as long as the cumulation rules under the Commission Regulation (EU) No 651/2014 and Regulation (EU) No 2021/1060 are respected.