

I) Questions received on 3 July 2024 via email ipo@altum.lv:

1. What, if any, are the restricted industries?

Answer: The Open Call regulations specify that BCMAF is prohibited from investing in real estate bonds. For other industries, the Applicant is expected to outline their vision as part of their interpretation of BCMAF's investment strategy

2. Can fund inflows from equity investments (dividends and proceeds from the sale of equity shares) be reinvested? Can fund inflows from debt investments (interest and principal) be reinvested? Since corporate bonds listed at Nasdaq First North typically have 2-3 years maturity (way shorter than the fund lifecycle), our ability to reinvest would positively contribute to fund economics.

Answer: The Open Call document does not impose restrictions on reinvestments/recycling, enabling the potential Fund Manager to propose various investment strategies.

3. Is the fund permitted to invest in enterprises with substantial (25%+) state ownership?

Answer: According to SME definition the ownership structure by default can not include any public bodies. However, the ownership criterion (specifically the 25% public body ownership rule) does not apply to small and innovative mid-caps as long as the latter satisfy criteria which define what a small-mid cap or innovative mid-cap is (employee count, balance sheet, innovation criteria, etc).

4. The fund shall invest in "commercially viable" companies. What definition/characteristics should be used to assess whether our investment target is "commercially viable"? Examples may include actual/forecast positive EBITDA; actual/forecast net profit.

Answer: The Applicant should outline their concept of what constitutes commercially viable companies as part of their interpretation of BCMAF's investment strategy.

II) On 18 July 2024 a question was received via email equity@invega.lt regarding the definition of an 'innovative mid-cap' company and a possible inaccuracy within the Open Call, which referred to two different versions of Commission Guidelines on State Aid to promote risk finance investments – the current version(2021/C 508/01) and the old one (2014/C 19/04).

Answer: 'Innovative mid-cap' definition is comprised of the following: Commission Guidelines on State Aid to promote risk finance investments (2021/C 508/01) Paragraph 2.3 (23) ('mid-cap' definition) and Paragraph 2.3 (20) ('innovative mid-cap' definition) as well as General Block Exemption Regulation version (01/07/2023) Article 2 (80) (definition of 'innovative enterprise'.