

Pre-IPO Alternative Investment Fund Investment Programme

HBOR launches the Investment Programme for pre-IPO alternative investment fund (hereinafter: the Programme) as part of the implementation of the Strategic Framework for the Development of the Capital Market in the Republic of Croatia 2025–2030 (hereinafter: the Strategic Framework).

HBOR has provided funds (hereinafter: HBOR funds) for the implementation of the Programme in the amount of EUR 30,000,000. HBOR's investment shall be made exclusively through Financial Intermediary, i.e. Alternative Investment Fund (hereinafter: AIFs), in its own name and for its own account.

The objective of the Programme is to enhance the availability of and diversify the funding sources for companies with high growth potential that are, in the medium term (three to five years), considering and are credible candidates for listing their securities on public capital markets.

The emphasis is on investments that contribute to economic and social development, in line with sustainability goals and promotion of balanced and sustainable regional development in the Republic of Croatia.

For the implementation of the Programme and the selection of Financial Intermediary, HBOR will publish a Call for selection of Financial Intermediary on its website www.hbor.hr. HBOR reserves the right to change the terms and conditions of the Programme, and all possible changes will be published in a timely manner on the website.

TERMS AND CONDITIONS OF INVESTMENT

1. Financial Intermediary

Eligible AIFs:

- i. AIFs in the process of establishment;
- ii. Will be established in the EU;
- iii. Have a defined investment period in line with market practice (usually 5 years, with the possibility of extension in accordance with the AIF's contractual documentation);
- iv. Have a limited duration (usually not exceeding 10 years, with the possibility of extension in accordance with the AIF's contractual documentation);
- v. Ensure equal investment conditions for all investors in the AIF (pari passu principle);
- vi. The commitment of any investor shall not exceed 70% of the total size of the AIF;
- vii. The commitment of Private Investors must amount to at least 30% of the total size of the AIF;
- viii. As part of the AIF's investment strategy, they intend to invest in Final Beneficiaries which, at the time of the AIF's first investment in them, are established in the Republic of Croatia and carry out the majority of their business in the Republic of Croatia or are planning an investment that will start long-term business in the Republic of Croatia:
 - at least 70% of the total amount drawn down for investments at the level of the AIF; or
 - double amount of HBOR's commitment (for every euro of HBOR's commitment, the AIF must invest one additional euro, at least).

The Financial Intermediary or other legal entity advising AIF must meet the following **key conditions**:

- i. Must have independent governance and investment decisions must be made by the management team of the Financial Intermediary or a committee whose members are independent of the investors;
- ii. Members of the management team must invest their own funds in the AIF;
- iii. Must be familiar with the Croatian business environment, and preferably it should ensure presence on the Croatian market by establishing subsidiaries or offices in the Republic

	<p>of Croatia with an appropriate team which includes investment professionals who are able to operate in the Croatian business environment (including adequate language skills) for the entire duration of the AIF;</p> <p>iv. Must be established in the EU or will be established in the EU;</p> <p>v. When investing in Final Beneficiaries, where applicable, Financial Intermediaries should implement all necessary assessments so that such investment “does no significant harm” (abbreviation: DNSH) to the EU's environmental objectives in terms of the DNSH principle in accordance with Article 17 of the Regulation (EU) 2020/852¹.</p> <p>Preference in the selection process will be given to Financial Intermediaries:</p> <ul style="list-style-type: none"> - with prior experience in public offering processes; or - whose team members have experience in public offering processes.
<p>○ HBOR's commitment to the AIF</p>	<p>HBOR's commitment to the AIF shall amount to a maximum of EUR 30 million.</p>
<p>2. Private Investors</p>	<p>Private Investors are considered to be:</p> <ul style="list-style-type: none"> i. majority privately owned financial institutions (investing at their own risk and from their own resources); ii. Funds of funds: <ul style="list-style-type: none"> a. those classified as an AIF under the Directive on Alternative Investment Fund Managers² b. those that are managed or advised by an independent management team, c. those whose majority sponsors are not Member States or national promotional banks or institutions or the EIF or the European Investment Bank; iii. private endowments or foundations; iv. family offices and business angels; v. majority privately owned corporate investors; vi. insurance companies; vii. pension funds; viii. private persons; ix. academic institutions (including private research institutions and universities) investing their own resources arising from their commercial activities; <p>if they do not receive any public incentive for the purpose of investing in the AIF.</p>
<p>3. Final Beneficiaries</p>	<p>Eligible Final Beneficiaries are companies in private or majority private ownership in the following investment stages according to the Invest Europe methodology³:</p> <ul style="list-style-type: none"> • Start-up, • Later stage venture, • Growth capital,

¹ REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on establishing a framework to facilitate sustainable investment and amending the Regulation (EU) 2019/2088 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R0852&from=EN>

² DIRECTIVE 2011/61/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 8 June 2011 on Alternative Investment Fund Managers and amending regulations 2003/41/EC and 2009/65/EC and the regulations (EC) No. 1060/2009 and (EU) No. 1095/2010, [L 2011174EN.01000101.xml](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32011L0061&from=EN)

³ [Invest Europe, Research methodology and definitions](#)

- Replacement capital,
- Buyout.

Final beneficiaries are companies that, in the medium term (three to five years), are credible candidates for listing securities on public capital markets.

Ineligible Final Beneficiaries are those:

- i. That carry out an activity on the List of ineligible activities⁴, and/or
- ii. That are „undertakings in difficulty“ pursuant to the provisions of Article 2(18) of the Commission Regulation (EU) No. 651/2014⁵ of 17 June 2014, and/or
- iii. The activity of which, at the moment of the AIF’s investment, constitutes a violation of restrictive measures (*Restricted Person*).

HBOR reserves the right to amend or supplement the List of ineligible activities. The List of ineligible activities, including any subsequent amendments and supplements, shall be published on HBOR’s website.

4. Visibility	<p>In communication about the investment, Financial Intermediaries and Final Beneficiaries will be required to prominently display the visibility sign of the source of financing. During negotiations with Financial Intermediaries, the form and manner of displaying the source of financing will be determined.</p> <p>The Financial Intermediary will be obliged to embed in the contractual documentation with Final Beneficiaries the provisions relating to visibility.</p>
5. Investment Objectives	<p>Investments of the AIF shall aim to increase the listing of securities on public capital markets.</p>
6. Purpose and Manner of Investment	<p>Equity and quasi-equity investments in Final Beneficiaries through AIFs managed by the Financial Intermediary (including structures that include holding companies managed by the Financial Intermediary).</p> <p>The investment strategy of the Financial Intermediary should aim at investments that will contribute to strengthening internal capacities, corporate governance and the financial position of Final Beneficiaries so that, during the period that the Financial Intermediary is holding the investment in such Financial Beneficiary, they:</p> <ul style="list-style-type: none"> • meet the criteria for listing securities on public capital markets; and • carry out the listing of securities on public capital markets. <p>Investment in companies at the moment of listing of securities on public capital markets is not permitted.</p>
7. Exit strategy	<p>The primary exit strategy of the Financial Intermediary from investments in Final Beneficiaries is the gradual sale of securities listed on public capital markets after one year from listing.</p>
8. Fees and Expenses	<p>Investor’s commitment to the AIF should include the amount for the investments in Final Beneficiaries, as well as the amount covering management costs and other costs associated with AIF.</p> <p>The Carried Interest shall depend on the success of the Financial Intermediary in listing the securities of Final Beneficiaries on public capital markets.</p>
9. Implementation Period	<p>The Programme Implementation Period is until the funds have been exhausted.</p>

⁴ [The list of ineligible activities is published in the General Eligibility Criteria for Equity and Quasi-Equity Funding Instruments](#)

⁵ Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187 of 26 June 2014), or in accordance with the provisions of the regulation governing this issue, which will be in force at the time of contracting of HBOR’s commitment of payment, [Regulation - 651/2014 - EN - General Block Exemption Regulation - EUR-Lex](#)

10. Miscellaneous

The contractual documentation on the basis of which HBOR will commit to the AIF will include provisions on:

- HBOR's rights to inspect AIF documentation necessary for monitoring and reviewing the use of HBOR funds;
- the obligation to keep the records related to the use of HBOR funds;
- requirements related to Visibility;
- the possibility of transferring HBOR's share in AIF to other persons upon HBOR's request

11. Related

General Eligibility Criteria for Equity and Quasi-Equity Funding Instruments, available [here](#).

documentation / Policy for Investments in Equity and Quasi-Equity, available [here](#).

Enclosures

The Investment Programme shall apply as of 14 May 2025.