Ministry of Science, Technological Development and Innovation

REPUBLIC OF SERBIA INNOVATION FUND

THE WORLD BANK IBRD • IDA | WORLD BANK GROUP

#ЕУ ЗА ТЕБЕ

KATAPULT ACCELERATION PROGRAM

-Program Manual-

V2.6

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Ministry of Science, Technological Development and Innovation

Contents

1. PROGRAM DESCRIPTION

The Katapult is Innovation Fund's acceleration program that targets growth-oriented companies and offers:

1. Intensive training, including mentoring and experimentation support for companies segmented into two streams:
    a. **An "Ideation" stream**, to assist founders in the early stages of product and market development. These founders are likely seeking market validation, initial traction and confirmation of a business model. While some participants in this category may have customer traction and paying customers, the Katapult may consider pre-revenue startups where IP/tech is considered unique and compelling. Typically, Ideation startups will be looking to raise initial seed capital, from €100K - €1M.
    b. **A "Scale-up" stream,** to support companies with proven traction looking to accelerate growth and aiming to raise a late Seed/Series A round of financing, likely between €500K - €2M.
2. Grant funding, including:
    a. **At-Entry Grants** of **RSD 2.400.000,00 RSD (~€20K) for Ideation stream companies and RSD 6.000.000,00 RSD (~€50K)** for **Scale-up stream companies**.
    b. **Co-Investment Grants** (CI Grants) of up to 1:1 investment matching **up to the ceiling of RSD 36.000.000,00 (~€300K)** awarded to Katapult companies that secure private investment**.**

Company selection will focus on highly capable, growth-oriented teams developing innovative products or services with the potential to achieve significant market traction, expand into new markets, and attract private investment.

All companies selected for Katapult will automatically qualify for mentorship and At-Entry Grant funding. Eligibility for Co-Investment Grant funding will be subject to additional review and approval of both the company and the investor(s), continued compliance with the Program requirements, satisfactory participation in the acceleration program, fulfilment of obligations under the Acceleration Agreement, and maintenance of eligibility throughout the duration of the Program.

Both At-Entry and CI Grants are awarded in the form of state aid for newly established enterprises in accordance with the Regulation on the Conditions and Criteria for Horizontal State-Aid Compliance and Regulations on Rules for State Aid Granting.

2. MENTORSHIP

The Katapult includes intensive training for annual cohorts including both Ideation and Scale-up companies, with around 20 companies per cohort. The emphasis will be on customized mentoring for each company, according to its particular challenges and growth potential. A residential component in or near Belgrade will be included along with in-person, virtual workshops and mentoring sessions.

The curriculum will cover all aspects of business strategy and go-to-market support through a combination of a structured training and hands-on experimentation with world-class mentors. This will be augmented by initial seed funding through At-Entry Grants and connections to investors (see section 6, At-Entry Grants). Participating companies will also have the chance to apply for CI Grant (see section 7).

3. TARGET GROUPS

While the majority of Applicants are expected to be digital startups, Katapult welcomes innovative, growth-oriented businesses from all sectors. Special consideration will be given to companies operating within the priority domains[1] of **Serbia's Smart Specialization Strategy**. Subject to the availability of high-quality applications, at least 50% of the available funding will be allocated to awarded applications in these domains. Applications from diverse founding teams, including those with women co-founders, are strongly encouraged.

4. USES OF GRANT FUNDS

4.1. Eligible Costs

Awardees (Company which Application is selected) can use grant (At-entry and CI grant) funding for the purpose of company growth and development within the following categories:

- Team/salary costs (gross amounts incl. income taxes and benefits).
- Product development services, including developing and testing technology, R&D, etc.
- Business development services, such as market research, partnership/supplier development, costs of expert consultants, sales, marketing etc.
- Other services for the purpose of company growth and development.
- Goods.
- Overheads such as rent, tech/app/data subscriptions, etc.

Only the costs accrued during the timeframe specified in the grant contract with the IF, and services completed, or goods delivered, will be eligible for financing.

4.2. Non-Eligible Costs

The following costs shall not be considered eligible and are not limited to:

- Debts and debt service charges (interest).
- Provisions for losses, debt or potential future liabilities.
- Costs declared by the awardee and financed by another action or work program receiving other public sources of financing.
- Purchases of land or buildings, including any renovation.
- Currency exchange losses, fees and penalties.
- Credits to third parties.
- Salary costs of the personnel of national administrations.
- Taxes, including VAT, duties and charges.
- Entertainment and hospitality expenses, including travel costs thereto.
- Recruitment and relocation costs.
- The procurement of second hand or refurbished goods.

The IF will make regular checks with regards to eligible costs.

[1] According to the Serbia's Smart Specialization Strategy the four priority domains are: 1) Food for future, 2) Information and communication technologies, 3) Machines and production processes of the future and 4) Creative industries.

4.3. Non-Eligible Activities

Katapult will **NOT** support Applications or activities in relation to:

- Any activities outlined in the IF's Environmental and Social Management Framework (ESMF)[2] as Exclusions published on the IF webpage.

- Any activities that directly or indirectly infringe the Trustworthy AI Principles, or constitute an AI Excluded Activity as defined in Section 11 of this document.

- Applications or activities that are not in line with the Horizon Europe ethics requirements and procedures[3]

- Any of the following Applications or activities:
    - Tobacco production, processing, storage.
    - Production of alcohol, excluding beer and wine.
    - Projects that involve alteration to rivers or other natural environments.
    - Mining Projects.
    - Logging Projects.
    - Adult Entertainment Projects.
    - Gambling Projects.
    - Property Development.

5. SELECTION PROCESS

5.1. Eligibility of Companies

An Applicant must meet the following eligibility criteria:

- The Applicant is **an active micro or small company registered in Serbia (at least 80% privately owned) as limited liability company (in Serbian d.o.o.), with the majority of the team[4] residing in Serbia (meet conditions for being residents for tax purposes).**
- **Be at least 1 year and less than 10 years old** at the time of submitting the application;
- The Applicant must be majority owned (>50%) by the founding team of entrepreneurs[5].
- **Remain under the 1 million EUR lifetime cap** of received funding from the IF across all programs and including this one. This applies directly or indirectly to all legally related/affiliated entities to the applicant's entity.[6]
- The Applicant or its affiliated entity **must not** be listed on the stock exchange.

[2] Exclusion list is given in Annex 01 of the ESMF and can be found here
[3] Manual for ethics self-assessment can be found here
[4] For the purposes of this Program, "team" means founders and employees engaged by the Applicant at the time of application.
[5] **Founding Team of Entrepreneurs** means the individuals who participated in the establishment of the Company or subsequently joined as founders, who collectively retain operational involvement in the business and ownership of the Company. Consolidation of the founding team through buyouts or transfers of shares among founders is permitted, provided that the founding team of entrepreneurs, including any new founders admitted to the team, collectively retains ownership of more than fifty percent (50%) of the Company's equity.
[6] Affiliate entity is defined in Article 62 of the Law on Companies.

- The Applicant or its affiliated entity **must not have** generated revenues over €8,000,000 in any of the prior two years.
- The Applicant or its affiliated entity is not involved in any other IF program at the time of application - **whether the involvement concerns a submitted, under evaluation, approved, or ongoing project/contract** (excluding Voucher schemes).
- Companies that have been awarded funding by the IF and are completing their projects implementation by the end of the year in which the public call for the Katapult acceleration program is published are eligible to apply, unless such a program creates a direct conflict of interest (e.g. general partners in a VC that is financed by the IF under any of the Serbia Ventures[7] programs may not be part of the company that also hold a Katapult grant).
- **No founder of the Applicant controls[8] a company** with an ongoing IF project or controls multiple companies applying under IF programs.
- The Applicant **has not applied more than twice** with substantially same application. For the purposes of this provision, an application shall be considered substantially the same if it is based on the same core product, technology, business model and target market, and does not demonstrate material progress since the previous submission. Material progress may include, but is not limited to, significant product development, acquisition of customers, revenue growth, intellectual property development, team expansion, successful fundraising, or entry into new markets. The Innovation Fund reserves the right to determine whether an application constitutes a substantially same application.

Where the Applicant is directly or indirectly controlled by a foreign legal entity, the Innovation Fund shall assess eligibility at the level of both the Applicant and the controlling entity or group. In such cases, the eligibility criteria relating to company age, revenues, stock exchange listing status, previous Innovation Fund support and other relevant conditions may be applied on a consolidated basis in order to determine the overall eligibility of the Applicant. The Innovation Fund reserves the right to request additional documentation necessary to establish ownership, control and affiliation relationships.

A company can be enrolled and be awarded At-Entry and CI Grants only once in either Ideation or Scale-up stream and cannot participate in both.

The following individuals shall not be eligible as Beneficiaries, as defined in the Project Operations Manual for the SAIGE Project:

- Elected Government officials, regardless of whether they have been sworn into office;
- Politically-appointed government officials;
- Career government officials;
- Innovation Fund staff and consultants;
- World Bank staff and consultants;
- Any other individual which may be involved in the implementation of the SAIGE Project, as determined by the Bank.

Applicants with the above-listed individuals as members of the co-founding teams of entrepreneurs will be deemed ineligible.

[7] Serbia Ventures is a program of the IF designed to stimulate activity of early-stage venture funds in Serbia. For the program description and related documents, please visit the following page.
[8] Control shall have the meaning assigned under the Law on Companies.

The IF will run personal and fiduciary background checks on the entire ownership team of all Applicants including founder/co-founders, existing directors with shares, and other shareholders, before awarding grants. Companies with founders/co-founders and other shareholders who do not pass this check will not be eligible for the program. The Innovation Fund may determine ineligibility based on material concerns arising from fiduciary, integrity, legal, financial or reputational reviews.

The Innovation Fund reserves the right to request additional documentation, clarifications, explanations or evidence at any stage of the application, evaluation, contracting or monitoring process for the purpose of verifying eligibility, ownership structure, investor eligibility, compliance with program requirements, or any other matter relevant to the implementation of the Program.

5.2. Selection Criteria

Selection will be guided by five main criteria:

1. **Team:** The capability of the founders and key personnel to successfully execute the proposed business opportunity. Assessment will consider relevant expertise, commitment, execution capacity, complementarity of skills, leadership potential, ability to attract resources and talent, and evidence that the team can adapt and grow in response to market opportunities and challenges. The Selection Committee will assess whether the team collectively possesses or has access to the key competencies required for successful execution of the proposed business opportunity, including technical, commercial, operational and managerial capabilities. Teams demonstrating complementary founder competencies and clearly defined roles may be viewed more favorably than teams with significant gaps in key business functions. While the number of founders is not assessed as a standalone criterion, companies applying to the Scale-up stream are generally expected to demonstrate a broader leadership capacity, typically reflected through the active involvement of at least two founders or equivalent key executives with complementary responsibilities.
2. **Product/Technology:** Applicants should have a minimum viable product (Ideation stream) or a market-tested product (Scale-up stream) that demonstrates a clear value proposition and competitive differentiation. The Innovation Fund seeks to support companies developing innovative products, services or processes with the potential to advance the state of the art, address unmet market needs, or create new market opportunities. As a result, such ventures may be exposed to higher levels of technological, commercial and execution risk, which can make access to traditional sources of financing more challenging.
3. **Business Model and Traction:** Applicants should demonstrate a credible monetization strategy and a scalable business model appropriate to their stage of development. For the Ideation stream, applicants should present a clear vision for revenue generation[9] and market adoption. While pre-revenue companies are eligible, preference may be given to teams that can demonstrate evidence of market validation or early traction, such as pilot projects, pre-orders, letters of intent, signed contracts, paying customers, user engagement metrics, or other indicators of customer demand. For the Scale-up stream, applicants must already be generating revenue and demonstrate

[9] For the purpose of stream placement, Scale-up Applicants must demonstrate existing commercial revenues generated through the sale of products or services. The Selection Committee may also consider additional indicators including customer growth, recurring revenues, strategic partnerships, market expansion and previous fundraising activities. Stream assignment remains at the discretion of the Selection Committee based on the overall maturity of the business

measurable commercial traction, a repeatable customer acquisition approach, and the potential to scale their business in existing or new markets.

4. **Market:** Applicants should be addressing a clearly identified customer need within a sufficiently large and accessible market with strong growth and scaling potential. The target customers and value proposition should be well defined, and applicants should demonstrate an understanding of market dynamics and competitive positioning. Scale-up stream applicants are expected to pursue expansion into new geographical markets and/or customer segments.
5. **Capital Raising:** Applicants should demonstrate a credible pathway to attracting private investment and seeking an amount of capital that is appropriate to their stage of development, growth objectives, and financing needs. The assessment will consider the company's investment readiness, quality of investor materials, fundraising strategy, and ability to articulate a compelling investment opportunity. Ideation stream applicants should demonstrate the potential to attract early-stage investors, while Scale-up stream applicants are expected to show a higher degree of investment readiness, and may have previously raised seed funding or be preparing for a larger institutional financing round. Companies should demonstrate a realistic ability to secure private investment within the next 12–18 months.

Activities primarily focused on routine, incremental or periodic modifications to existing products, production lines, manufacturing processes, services or other established operations (e.g., software maintenance releases, minor feature additions, product redesigns or standard upgrades) are generally not encouraged. While such activities may improve the Applicant’s internal operations, competitiveness or product portfolio, they are unlikely to meet the Program’s objective of supporting innovations that create substantial new value, technological advancement, or protectable intellectual property.

Any intellectual property, know-how, software, data assets or other innovation outputs developed during participation in the Program must be owned by, or subject to sufficient rights of use and commercialization by, the Applicant. Applicants may be required to demonstrate such ownership or rights upon request by the Innovation Fund.

5.3. Application Process

Registration

All Applications are handled through the **Katapult portal**. To register an account, the Applicant must have a valid Tax Identification Number (PIB). An email address given during the registration will be used for all future correspondence with the Applicants.

Application Content

Applicants should be prepared to provide the following:

- Completed Application questionnaire.
- Management resumes and a list identifying key employees or representatives of the company.
- List of existing shareholders[10] and their percentage ownership (capitalization table).
- Brief financial history/records.
- Ethics self-assessment questionnaire filled in and signed by the Applicant.
- Financial statements for the most recent operating periods up to two years, if available.
- Pro forma financial model.

[10] Employees with vested interest should also be named in the Application, including their equity stakes at the end of the vesting period.

- Indicative fundraising ask (amount and use of funds, e.g.).
- Signed Applicant statement document.

Application Submission

Only complete applications submitted through the Katapult portal by the specified deadline will be considered for evaluation.

Applicants may submit only one application under a given public call. In addition, an individual may not participate as a founder, co-founder, key team member, director, or shareholder in more than one application submitted under the same public call.

Applications may be edited and resubmitted through the Katapult portal at any time prior to the application deadline. Once the deadline has passed, no new applications, modifications, corrections or supplementary information will be accepted. Applicants who were not selected in previous calls are encouraged to demonstrate material progress and take into consideration any feedback received during the evaluation process when reapplying.

Administrative and Eligibility Screening

IF will check eligibility according to the eligibility criteria provided above. In the case of Application information deficiencies, companies will be notified and given 72 hours to make changes to their applications, and subsequently informed of the screening outcome by email. Further details of the selection processes are given in the Katapult Review Guidelines available on the website of the IF.

Environmental, Social and AI Review

Applicants selected for Katapult will participate in an intensive acceleration program consisting of training, mentoring and related support activities, lasting approximately 12 weeks. During this period, they will receive At-Entry Grant funding to support eligible business development and growth activities.

Given the nature of the acceleration program, the environmental, social and AI review conducted at this stage will focus primarily on compliance with the applicable exclusion lists set out in Annex 01 of the Environmental and Social Management Framework (ESMF) and the AI Excluded Activities defined in Section 11 of this Manual.

Environmental, social and AI specialists will review all pre-selected applications to determine whether the Applicant's business activities fall within any of the excluded categories. Applications found to involve excluded activities will not proceed further in the evaluation process and will be rejected by the Innovation Fund.

Applicants that do not develop, deploy or otherwise use AI as part of their business activities will not be subject to the AI risk assessment procedure.

Ethics Issues

Ethics review is conducted also for pre-selected Applications. The review begins after the pre-selection stage and must be completed before any Acceleration Agreements are signed.

The ethics assessment is based on the Applicant's completed self-assessment questionnaire and, where deemed necessary, additional documentation, interviews or site visits. An ethics expert will review Applications that may raise ethical concerns and assess any associated risks.

Where relevant ethical risks are identified, the ethics expert may recommend appropriate mitigation measures, eligibility conditions, or specific monitoring and reporting requirements to be incorporated into the implementation and oversight of the related Application.

Applications presenting ethical risks that cannot be adequately mitigated will be ineligible for support.

Application Selection & Implementation Process

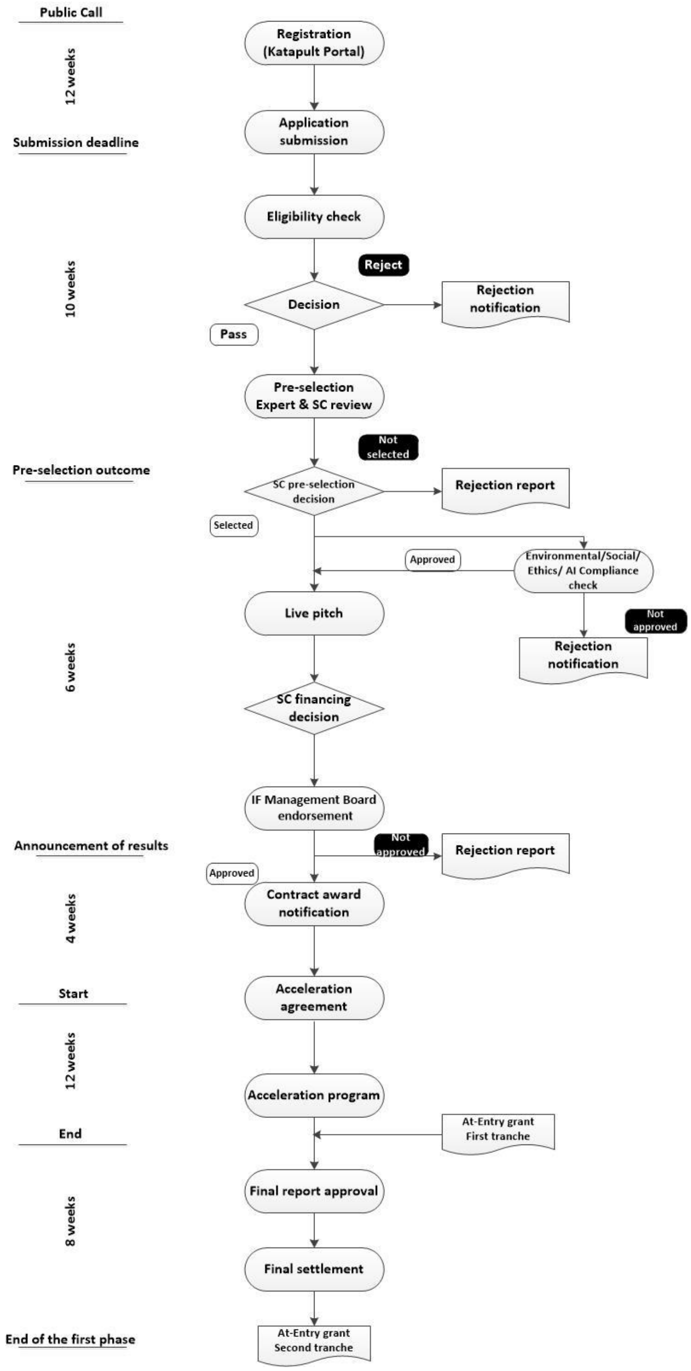

Figure 1: Indicative timeline of the Application, Selection and Implementation Process

5.4. Selection Committee Review and Decision

Following the eligibility and administrative review, eligible Applications will proceed to the first stage of evaluation, consisting of an independent subject matter expert review and pre-selection by the Selection Committee (SC), composed of three external experts.

Subject matter experts may be engaged to evaluate Applications within their areas of expertise and provide independent assessments. While their input will inform the evaluation process, they will not participate in the final decision-making process.

During the pre-selection stage, Applications will be assessed against the selection criteria defined in Section 5.2 and scored in accordance with the Review Guidelines. Based on the results of this evaluation, the SC will establish a shortlist of Applicants to be invited to present their business through an in-person pitch[11].

While preparing for the pitch, shortlisted Applicants will undergo a screening conducted by environmental, social, AI, and ethics experts. The review by these 4 experts will be performed in accordance with the procedures set out in Section 5.3.

The final decision on admission to Katapult will be made by the SC following the pitch presentations. As part of its decision, the SC will determine whether selected Applicants will participate in the Ideation or Scale-up stream.

Based on its assessment, the SC may:

- approve an application;
- approve an application subject to specific conditions;
- reject an application.

After the IF management board's endorsement of the SC financing decision, selected applicants will be notified of the SC's decision by email and invited to enter into an Acceleration Agreement with the Innovation Fund. The Agreement shall be signed up to the commencement of the acceleration program and will specify the Awardees'[12] assigned stream (Ideation or Scale-up), the applicable At-Entry Grant, and any conditions attached to the approval decision. Where conditional approval is granted, the Applicant will be provided with a defined period to address the requirements and recommendations specified by the SC and/or Ethics expert prior to the signing the Acceleration Agreement. At the same time, all applicants that are not selected will receive feedback summarizing the SC's assessment and the reasons for the decision.

[11] Several days before the live pitch, the IF may organize a live networking event in order for the Selection Committee to meet the preselected startups and explain what is expected during the pitch. In case of such an event, participation of startups key staff presenting the pitch is required.

[12] Upon signing Acceleration Agreement, the Selected Applicant shall become an Awardee and will be enrolled in the Katapult acceleration program.

5.5. Applicant Grievance Mechanism

Applicants and other stakeholders have the right to submit a written complaint regarding any aspect of the program. Such complaints relate to the implementation, structure, or conduct of the program. Complaints should be submitted via email to katapult@inovacionifond.rs.

In addition, if the applicants wish to object to any of the evaluation outcomes and the assessment made by the Selection Committee, they may submit a formal fact-based letter of objection within **7 working days** from the date of receipt of the evaluation outcome notification. The objection must be submitted by email to katapult@inovacionifond.rs, written in English, and is **recommended not to exceed 500 words**. The Innovation Fund will provide an official response to the submitted objection no later than **7 working days** from the date of receipt of the objection letter.

6. AT-ENTRY GRANT FUNDING

6.1. Grant Amount

At-Entry Grants are available to all selected companies, with Ideation phase Awardees eligible for a maximum of RSD 2,4M (~€20K) and Scale-up Awardees eligible for a maximum of RSD 6M (~€50K).

Awardees can opt to accept and use an At-Entry Grant, or not. Should the Awardee turn down the funding, this amount will be available to secure under the CI Grant (provided the Awardee manages to raise qualified investment and thus become eligible for CI Grant funding).

6.2. Acceleration Agreement

The Acceleration Agreement is prepared by the IF before the official start date of the Katapult accelerator program. It contains provisions for using the At-Entry Grant, type of acceleration support provided by the IF and obligations of Awardees taking part in the Katapult.

Before signing the Acceleration Agreement, an Awardee must provide the following:

- Separate bank account to which the proceeds of the At-Entry Grant will be transferred.
- The names of two individuals from the company who will sign the Acceleration Agreement and be actively involved during the 3-month acceleration program: (i) the official representative of the company (who may, but is not required to, be a co-founder), and (ii) a co-founder.
- Signed statement that the Awardee will comply with all the provisions of Law on labor and protection at work.
- Awardee must be registered in the Registry of subjects of the national innovation system.
- Awardee must be registered in the Register of Bidders.

The IF will not require proofs for registration in the above two registries as these are publicly available information.

Awardees that opt for the At-Entry Grant may use these funds upon signing the Acceleration Agreement with the IF. The funding can be used for the duration of the Accelerator and up to 30 days after the program completion. The IF will not ask Awardees to provide a specific budget for At-Entry Grants. However, monitoring procedures will be in place to ensure that no funds are used to cover ineligible costs. Awardees are recommended to consult their Lead Mentors while using the proceeds of At-Entry Grants. Awardees are nevertheless encouraged to maintain an internal spending plan. For the purposes of the final reimbursement tranche (see details in the following Section 6.3.), only costs that are eligible under Section 4 and supported by adequate documentation shall be considered approved expenses.

6.3. Disbursement

The At-Entry Grant will include an up-front and a reimbursable portion. The IF will make available RSD 1.800.00,00 (~€15K) upon signing the Acceleration Agreement with Ideation Awardees and RSD 4.200.000,00 (~€35K) with Scale-up Awardees. The remaining grant funds will be kept by the IF as a final reimbursable tranche to be transferred to the account of the Awardee for pre-approved costs accrued during the acceleration program up to the balance of the full At-Entry grant amount after the Awardee completes the program and a Final Report is approved by the IF.

To justify its costs and claim the final tranche, the Awardee must provide the IF the Final Report with acceptable financial documentation (invoices, proof of deliveries, proof of payments, bank statements, etc.). The final tranche is transferred to the Awardee upon signing the Final Settlement, which is prepared and signed after the acceleration program is completed.

6.4. Reporting

The Awardee is obligated to submit a Final Report upon completion of the acceleration program. Approval of the Final Report is a condition for disbursing the reimbursable portion of the At-Entry Grant.

The Final Report will include a survey to assess the overall experience and support received during the Accelerator as well as a narrative summary describing completed activities and the main achievements of the acceleration phase, including the At-Entry Grant use-of-funds and related, measurable KPIs/outcomes linked to participation objectives (product development, customer traction, revenue growth, etc.).

The financial section of the report must document all the payments made from the separate bank account. These payments must be properly itemized to allow easy review by the IF.

7. CO-INVESTMENT GRANT FUNDING

As a non-dilutive instrument, Co-Investment Grants preserve equity for founders while lengthening the "runway" during the high-risk, early stages of development, thereby de-risking investments for investors.

All Awardees enrolled in the Katapult accelerator will be considered to apply for Co-Investment Grant funding. These companies may apply for and receive CI Grants after the acceleration program and nine (9) months[13] following completion of their cohort, provided a qualified investment is raised, and no breach of Acceleration Agreement have occurred during the program.

7.1. Grant Amount

Total funding available to Awardees is up to RSD 36 million (~€300K) including both At-Entry and Co-Investment Grants. For example, an Awardee enrolled in the Ideation stream that received an At-Entry Grant of €20K may unlock up to €280K, while a Scale-up Awardee may access an additional €250K. Co-Investment Grant funds will be disbursed in two tranches. The first tranche, of up to 70% of the approved Co-Investment Grant amount, will be subject to disbursement only after the investor(s) have deployed the private capital proportionally, provided that the deployed private investment has reached at least

[13] Extensions may be allowed in exceptional cases and at the discretion of the IF.

€50,000, which is the minimum threshold under the Program. The remaining amount for the second tranche of the Co-Investment Grant will be subject to disbursement after the approval of the Final Report by the IF.

7.2. Investor Eligibility

Eligible investors include angel groups, experienced "super angels," individual angels as syndicates, seed funds, VC funds, corporate VCs/investors or other early-stage private investors.

Investors must be reviewed and approved by the Innovation Fund. All investors interested in investing in companies eligible for the co-investment mechanism are invited to declare their interest and be approved as Co-Investment Partners by the IF prior to pursuing any specific investment in order to speed up the CI Grants Application review and approval process. Investors may also register on a deal-by-deal basis.

To be approved as Co-Investment Partner or on an individual deal basis, investors will be required to provide information by filling out a questionnaire, declaring all potential Conflicts of Interest and submitting materials to the IF for review. Required information may include:

1. Angel Groups[14]
    - Group name and contact information.
    - Document stating Group's business status, if available (LLC, Charity, Partnership, etc.).
    - CVs/LinkedIn profiles of leadership and members that may participate in investments.
    - Copy of the membership agreement and group code of conduct, if available.
    - History of investments:
        - Portfolio company names and date of the investments.
        - Investment amounts.

2. Institutional Investors (VC[15] & PE funds[16], family offices[17], corporate investors[18])
    - Institution name and contact information.
    - Company registration documents.

3. "Super Angels"[19] or Syndicate of Solo Investors[20]
    - Individual names and contact information.
    - CVs of individuals involved.
    - History of angel-type investments made, if any.
        - List of investments made/portfolio.
        - Indication of investment size and if they were a lead investor for each investment.

[14] High-net-worth individuals who invest their own capital in early-stage companies.
[15] Investment funds that finance high-growth companies.
[16] Investment management company that provides financial backing and makes investments in the private equity of a startup or of an existing operating company.
[17] Private wealth management firms that invest on behalf of high-net-worth families.
[18] Corporations that invest strategically in startups to foster innovation or gain competitive advantage.
[19] A "super angel" is a high-net-worth individual that invests at a significant level (in the case of the Katapult, the minimum of €50K to unlock the CI Grant, e.g.) and has experience and a track record as an angel investor, having completed previous investments. They often invest individually and directly into a company rather than as part of a group.
[20] Groups of individual investors pooling resources to invest collectively.

All investors must pass a fiduciary check to be undertaken by the IF. The IF will reserve the right to vet investors through letters of recommendation, interviews, and background checks, and to reject potential investors for any reason at any time in the process.

It is the responsibility of the Applicant and investor to disclose any familial or other close relationships between the company founders or key employees and investor(s). CI Grants will not match investment rounds involving family members or persons having a close personal relationship[21] with any member of the founding team of entrepreneurs.

7.3. Application Process for CI Grants

Application Instructions

In preparing the CI Grant Application, Applicants should consider the following:

- All Applications including information and documentation must be submitted in English.
- Only Applications submitted via IF's CI Grants portal will be considered.
- All Application supporting materials must be uploaded to the relevant section of the CI Grants portal (no hard copies will be accepted).
- Both the firm Application and the supplemental investor materials are needed to consider the CI Grant Application complete.
- Only complete Applications will be processed.
- An Applicant can receive more than one CI Grant up to a total of EUR 300K, cumulative with the At-Entry Grant.

The external investments raised by the applicant can go either directly in the entity that entered the Katapult program or in a legally related entity (e.g., parent, affiliated with a mirroring ownership structure, or sister company).

Application Content

The following information and materials must be submitted as part of the CI Grant Application:

- Online Application properly filled out on the CI Grants portal.
- List of existing shareholders and their percentage ownership (capitalization table).
- Investor deck.
- Due diligence summary or investment memo dully signed by the investor.
- Signed term sheet or an investment agreement with the investor.
- Pro forma financial projections for at least two years.
- Budget breakdown for the requested CI Grant and the investment capital use of funds in the IF's template.
- Environmental and Social Screening Questionnaire filled in and signed by the Applicant.
- AI risk assessment questionnaire (only for applicants who use AI in their business).

[21] Close personal relationship means a relationship that may reasonably impair the independence of the investment decision or create a real or perceived conflict of interest, as determined by the Innovation Fund.

CI grant Awardee will be required to provide signed investment documents before the first tranche of the CI Grant funding is disbursed. All investors participating in the round and providing investment that will be matched by the CI Grant must provide information to confirm investor eligibility and investment agreements must include signatures of all participating investors (i.e., all investors that will be investing capital matched by CI Grant funds).

7.4. Evaluation & Financing Decision

Applications will be reviewed by the SC.

The IF will examine Applications to (i) confirm the requisite information and materials have been provided in full, (ii) verify the company continues to meet the eligibility criteria and ESMF/Ethics/AI risk compliance requirements, (iii) confirm investor(s) eligibility (including Conflict of Interest compliance).

The following factors related to CI grant application will be considered by the SC while assessing the proposed investment:

1. **Team:** The Selection Committee (SC) will re-examine the status of the founding team to identify any changes in the company's executive team since the initial application. This assessment ensures that the leadership structure remains strong and aligned with the company's strategic direction.
2. **Investment structuring:** The IF will match equity and quasi-equity investments (including direct equity/convertible notes[22]/SAFEs, etc.) and may consider alternative structures. Loans and grants, by definition are not qualified investment for CI grant.

   The IF will consider whether the terms are consistent with local and global markets good practices for early-stage private investing. The SC may reject CI grant in cases where proposed investments may constitute reputational risk for the IF.

3. **Business Progress:** The company must demonstrate meaningful progress since joining the Katapult program, including achieving key milestones and addressing any operational or business priorities identified during the program. In cases where the company is pivoting, it must present a strong and well-substantiated business case to support this strategic shift.

4. **Traction:** The company must provide evidence of continuous efforts to increase traction in its target market(s). The SC will analyze a comparative review of the company's financial forecasts, from the time of the Katapult application through the subsequent five-year period, to assess the credibility and ambition of its growth trajectory.

Company receiving investment: The investment must be made either in the Katapult Awardee or in a related legal entity. Where investment is made into a related entity, the Applicant must demonstrate common ultimate beneficial ownership, strategic alignment of business activities, and a clear benefit to the growth and development objectives of the Katapult Awardee. The Innovation Fund may request

[22] Convertible notes with conversion terms extending beyond the CI grant implementation period will not be accepted. As a general principle, the conversion of the investment into company shares must occur no later than **12 months from the date of signing the Annex to the Acceleration Agreement** under which the CI grant is awarded. Prior to disbursing the final tranche of the grant, the Innovation Fund (IF) will verify that the convertible note has been duly converted into shares of the Awardee company. In cases of non-compliance with this requirement, the IF will demand **full repayment of the CI grant amount**.

additional corporate, legal or financial documentation to verify such relationship. The CI Grant awarded by the IF will always be transferred to the Awardee that is registered in Serbia.

Awardees may submit an investment term sheet and ask for preliminary, non-binding opinion from the IF and the SC regarding the compliance of the terms of the proposed investment with CI Grant qualifying requirements. Negative preliminary opinion will include reasons for non-compliance with qualification criteria and possible measures to correct the terms to qualify for the CI Grant.

The SC may decide not to support CI Grant Application in cases where this may have an adverse effect on the reputation of the IF. Such circumstances may include, but are not limited to, concerns arising from investor background checks, unresolved legal disputes, sanctions-related issues, credible allegations of unethical conduct, significant governance deficiencies, or other circumstances that may expose the Innovation Fund, the Republic of Serbia or program partners to reputational, legal or financial risk.

The SC may decide to interview the Applicant and/or the investor before making the decision. The SC will prepare a report with the final co-financing decision. Two decisions are possible:

1. Full approval: CI Grant Applicant is notified, and the process moves forward.
2. Conditional approval: The CI Grant Applicant will be notified of the decision along with any conditions attached to the approval, including the specific timeframe within which these conditions must be met. If the Applicant is unwilling or unable to fulfil the stipulated conditions, the process will be discontinued and the application will be rejected.
3. Denial: CI Grant Applicant is notified that the Application has not been approved.

The IF will communicate the SC's decision to the Applicants via email.

Rejected CI Grant Applicants can submit new applications for CI Grants as long as they are eligible.

7.5. Environmental and Social Review of the CI grant application

The first step in the process of assessing environmental and social impact is review of the Environmental and Social Screening Checklist (ESSC). The specialist for environmental and social matters will examine submitted ESSC and categorize Applications according to the risk level:

- Low – no further action required.
- Moderate – Environmental and Social Management Plan Checklist (ESMP CL) preparation and monitoring required during implementation.
- Substantial – Environmental and Social Management Plan (ESMP) preparation with mandatory public consultations, and monitoring required during implementation.
- High – the IF stops the evaluation process and denies the Application.

Applicants will be informed about the outcome of this review and the necessity to prepare Environmental and Social Management Plan (ESMP) or ESMP CL as a prerequisite for approving the Application. Generally, it is the responsibility of the Applicant to prepare the ESMP/ESMP CL and submit it to the IF. Environmental and social specialist will support the Applicant in this process and provide all necessary guidance. Approval of the ESMP/ESMP CL by the IF is a condition for signing CI Grant Agreement. The guidance on the content of the ESMP/ESMP CL is provided in the ESMF. All environmental and social procedures requiring adherence are specified in the ESMF, which are consistent with Serbian national legislation. In cases where the Application requires an ESMP/ESMP CL and the Applicant does not prepare it, that Application will become ineligible for financing.

Evaluation of Applications will include environmental and social screening based on the ESSC submitted by the Applicant and the specific interview with the specialist for environmental and social matters, in line with the ESMF.

7.6. AI Risk Assessment

The IF requires applicants who use AI in their businesses to go through an AI risk assessment based on Risk Assessment Framework (RAF). This assessment encompasses a range of criteria, including checks on transparency, accountability, and trustworthy AI practices. Applicants must demonstrate effective data protection measures, transparent decision-making processes, and strategies to prevent bias within their applications.

The AI risk assessment framework promotes the development of trustworthy AI solutions, ensuring that all supported applicants align with global standards and contribute positively to the ecosystem. By prioritizing these considerations, the program aims to build a sustainable foundation for AI innovation in Serbia.

The framework includes the following procedure at the level of particular application evaluation:

1. Specific AI Questionnaire as an assessment tool for applicants;
2. Compliance with the list of AI Excluded Activities that cannot be funded through SAIGE project - conducted by IF's AI specialist. If one or more project activities is found to constitute an AI Excluded Activity, the IF stops the evaluation process and rejects the application;
3. Desk review of completed Questionnaires and applications by AI specialist and preliminary risk classification, in consultation with IF;
4. In-person interview with applicants classified preliminarily as Moderate or High risk before final classification;
5. Final classification of the risk profile of the applicant's business;
6. Agreement on prescribed mitigation measures for applications classified as Moderate and High risk, approved by the AI specialist and IF;
7. AI risk impact assessment of the proposed solution incl. mitigation measures for High-risk AI systems, with risks identified to be addressed through the risk mitigation and monitoring plan.

The IF and AI specialist are responsible for the review and approval of all relevant documentation mentioned above.

The AI Risk Assessment Framework encompasses a range of criteria, including the likelihood, severity and materiality of the relevant risk. Each eligible application will be assigned a risk classification level (Low, Moderate or High Risk) based on this process. Eligible applicants will then have to comply with a set of proportionate, tiered responsibilities based on the assigned AI risk classification level:

1. **Low risk** – Projects should adhere to the minimum requirements:
   - No AI Excluded Activities should be conducted;
   - [If Personal Data is processed]: Conduct data protection impact assessment and comply with applicable data protection laws;
   - Comply with Trustworthy AI principles; and

- Re-assess risk rating at regular intervals.

2. **Moderate risk** – In addition to the above minimum requirements, Awardees will need to prepare a risk mitigation and monitoring plan using the template provided by the IF (which will be signed off by the IF), including implementation review. Approval of the mitigation and monitoring plan is a precondition for signing the Annex to the Acceleration Agreement.

3. **High risk** – In addition to the requirements applicable to Low and Moderate Risk activities, High Risk activities will require detailed AI risk impact assessment before implementation, along with mandatory audits arranged by the IF. Awardees will agree to these requirements in the Annex to the Acceleration Agreement.

At all times throughout the term of the project, the IF reserves the right to request the Awardee to adopt reasonable measures to mitigate any identifiable or foreseeable AI risks, regardless of how the project is classified under the risk framework set out above and regardless of whether a written mitigation and monitoring plan is adopted.

CI grant Application Review & Implementation Process

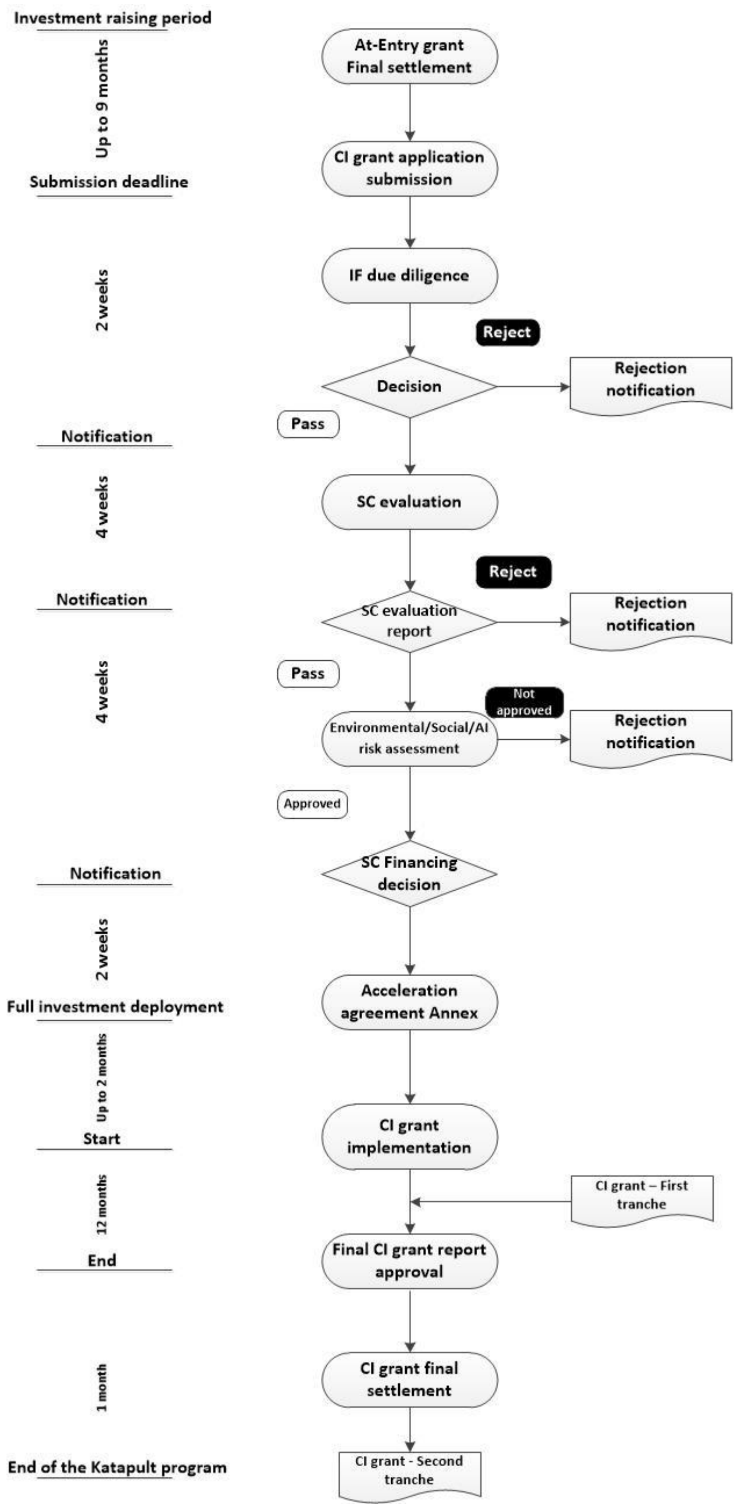

Figure 2: *Indicative timeline of the CI grant Application Review & Implementation Process*

7.7. Annex to the Acceleration Agreement

Once the positive decision is communicated, the IF will prepare the CI Grant Agreement[23] to be signed.

The following documentation must be prepared as a condition for signing CI Grant Agreement:

- ESMP (where applicable) which needs to be approved by the Environmental Expert engaged on SAIGE.
- AI risk mitigation and monitoring plan or AI risk impact assessment (where applicable).
- Separate bank account to which the CI Grant proceeds will be transferred. This may be the same account used for the At-Entry Grant.

7.8. Disbursement

CI Grant funds will be disbursed in two tranches after the investor(s) have fully deployed the private capital. The Awardee shall provide evidence of such deployment (e.g. bank statements). The first tranche of up to 70% of the approved CI Grant amount shall be disbursed no later than two (2) months from the signing of the Annex to the Acceleration Agreement, provided that all applicable disbursement conditions have been met. The second tranche of up to 30% of the approved CI Grant may be disbursed after the approval of the Final Report by the IF.

As noted above, the Awardee must open a separate bank or use the previously used bank account for the At-entry grant where CI Grant funds from the IF are transferred. This account must not be used for any other purposes except the implementation of the approved grant(s). The Awardee bears full legal responsibility for this account, documents all the payments made to and from it and reports them back to the Innovation Fund.

Expenditures to be covered from the grant may not be incurred before the start of the project.

All payments to the Awardees are made in Serbian Dinars.

The IF reserves the right to adopt the grant structure and disbursement schedule according to specific circumstances related to the Awardee, terms of the investment and availability of the IF funds.

7.9. Reporting

Reporting includes Quarterly Financial and Progress Reportswhich must be submitted within two (2) weeks after the last calendar day of the reporting period along with other required documentation, and these reports must be approved by the IF. The Awardees will report back to the IF over the period of 12 months after signing the CI Grant Agreement.

Awardees shall keep accurate and regular accounts of the implementation of CI Grant funding using an appropriate accounting system. These systems may either be an integrated part of the Awardee's regular system or an adjunct to that system. This system shall be run in accordance with accepted standards of accounting and bookkeeping policies and rules. Accounts and expenditures relating to CI Grants must be easily identifiable and verifiable.

Quarterly Financial Reports (QFR) should include cash flow statements from the separate bank account in the template provided by the IF.

[23] CI Grant Agreement may be signed in the form of annex to the existing Acceleration Agreement.

While the QFRs describe the changes in the separate bank account only, Quarterly Progress Report will include a narrative recap that focuses on the entire business of the Awardee, outlining the main activities the Awardee has undertaken. In addition, the narrative should focus on the main achievements the Awardee has made in a particular reporting period, challenges it faces and general overview of the business activities. Depending on the reporting requirements imposed to the CI Grant Awardee by the investor, the IF may request reporting on specific KPIs defined in advance. In addition to the reports required under the CI Grant Agreement, it is the Awardee's obligation to report significant events to the IF, positive or otherwise. It is expected that the IF will also be provided with any investor reports shared with company investors.

Final report is submitted to the IF within four weeks after the end of the final reporting period. In addition to the reporting on the last quarter, the Final report contains all relevant financial documentation (account statements, invoices, proof of deliveries, acceptance certificates…) for IF's inspection.

7.10. Monitoring visit

The IF may perform monitoring visits if deemed necessary. The purpose of any monitoring visit by the IF is primarily to check that all important activities are occurring as reported and as stated in the approved documents. The IF staff will notify the Awardee in writing by email approximately one (1) week in advance about the monitoring visit. The notification will outline the purpose of the visit, what is to be reviewed, and who should attend the meeting during the monitoring visit.

8. TERMINATION OF GRANT AGREEMENTS

At-Entry and CI Grants may be terminated, and Awardee required to repay part or the full grant amount if any breach of the CI Grant Agreement is made, including under the following circumstances:

- Where the Awardee uses the grant funds in contravention to the purposes stated in the any of the Grant Agreements.
- Where the Awardee continuously fails to participate in the activities that are part of the mentoring program and ignores his duties under the program.
- Where the Awardee uses the grant funds to pay for ineligible expenses or activities listed in the any of the Grant Agreements.
- Where the Awardee has deliberately falsified or provided incomplete information to obtain the grant.
- Where the Awardee fails to cooperate and provide the necessary information as requested by IF.
- Where the Awardee violates any of the Environmental & Social safeguards stated in any of the Grant Agreement.
- Where the Awardee violates any of the AI risk mitigation safeguards stated in any of the Grant Agreements or Acceleration agreement.

9. CONFLICTS OF INTEREST

All procedures for approval for grant funding will be done with utmost diligence and any conflicts of interest declared. Any IF staff or program Selection Committee member involved in the above procedures will be required to declare any personal or organizational relationship or interest in any enterprises or individual Applicants, and/or disclose those interests in which they have a particular stake.

Additionally, Applicants are to take all necessary precautions to avoid real or perceived conflicts of interests and shall inform the IF without delay of any situation constituting or likely to lead to any such conflict.

Conflict of interest is present in, but not limited to, situations where the impartial and objective exercise of the functions of any grant Applicant, grant selection committee member, or IF staff or consultants in relation to the execution of this project is compromised because said Applicant, committee member or staff member is in a position to derive personal benefits from actions or decisions made in their official capacity due to personal or professional relationships.

10. FRAUD AND CORRUPTION

All Awardees must agree to undertake all necessary actions to prevent possible Fraud and Corruption during the period of support by the IF and in deploying the funding provided by the IF. In pursuance of this policy, the practices constituting Fraud and Corruption are defined as follows:

a) "Corrupt practice" is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party.

b) "Fraudulent practice" is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.

c) "Collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party.

d) "Coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.

e) "Obstructive practice" is:

- Deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a World Bank investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or
- An act intended to materially impede the exercise of the IF's or World Bank's inspection and audit rights.

Before signing any of the Grant Agreements, Awardees are obliged to provide the following documents to the IF: penalty records certificate, i.e. a certificate from the competent court and competent police administration of the Ministry of Internal Affairs that the Awardee and its legal representative/s have not been charged with any of criminal offences as the member of an organized criminal group; nor charged with any of criminal offences against economy, environment, active and passive bribery, or fraud. If the Awardee is listed in the Register of Bidders in the Serbian Business Registration Agency, the above documents are not required to be submitted.

Before signing any of the Grant Agreements, Awardees are obliged to register in the e-Registry of entities of the national innovation system via the eInnovation platform.

11.DEFINITIONS

AI Excluded Activity	(a) An AI activity that includes (the following list is indicative and not exhaustive): (i) Any activity directly or indirectly related to weapons or weapons systems; (ii) Facial recognition technologies for mass surveillance, including AI systems that create or expand facial recognition databases through the untargeted scraping of facial images from the internet or CCTV footage, and real-time remote biometric identification systems used in public spaces for law enforcement. (iii) Social scoring systems; and (iv) AI systems that are deliberately designed to deceive or manipulate people, including "deepfakes" and other technologies that can be used to create highly realistic but fabricated content or any other AI systems that manipulate human behavior to circumvent their free will. (b) Any AI activity that directly or indirectly violates Trustworthy AI Principles or otherwise results in any diminution of due process under law, that results in bias or discrimination, that deprives an individual of their civil liberties or rights to civic participation, that infringes any freedom of expression or that misuses personal data or that causes any similar harm to any individual or group of individuals.
High Risk AI System	AI systems that have the tendency to directly or indirectly violate Trustworthy AI principles throughout the lifecycle of AI systems. This includes, but is not limited to, AI systems deployed in the following areas designated as High risk under Serbia's Ethical Guidelines for Development, Implementation and Use of Robust and Accountable Artificial Intelligence: a. Biometric identification and classification of persons; b. Management of critical infrastructures and their operation; c. Education, vocational training and qualification; d. Employment, human resources and management and access to self-employment. e. Healthcare; f. Access to and use of public and social services and basic private services; and g. Law enforcement.

Trustworthy AI Principles	Collectively, the principles and requirements for robust and accountable AI systems, processes and applications throughout the lifecycle of the AI based on Serbia's Ethical Guidelines for Development, Implementation and Use of Robust and Accountable Artificial Intelligence24, which include, at a minimum, the following: (a) Explainability and verifiability; (b) Dignity; (c) Prohibition to cause damage; (d) Fairness and non-discrimination; (e) Human agency, oversight, determination and control; (f) Technical reliability, safety and security; (g) Privacy, personal data protection and data management; (h) Transparency; (i) Diversity, non-discrimination and equality; (j) Social and environmental wellbeing; (k) Accountability and responsibility; Additionally, "Trustworthy AI" principles incorporate the following principles, as included in other good practice frameworks recognized by Serbia including the "UN General Assembly Resolution on Seizing the opportunities of safe, secure and trustworthy artificial intelligence systems for sustainable development" A/78/L.49 (UNGA Resolution) and the "UNESCO Recommendation on the Ethics of Artificial Intelligence" SHS/BIO/PI/2021/1 (UNESCO Recommendation), including, inter alia: (l) Proportionality and do no harm; (m) Due process; (n) Freedom of expression; (o) Sustainability; (p) Awareness and literacy; and (q) Multi-stakeholder and adaptive governance and collaboration.

24 https://www.ai.gov.rs/extfile/en/471/Ethical%20guidelines%20for%20development%20implementation%20and%20use%20of%20robust%20and%20accountable%20AI.pdfThe Ethical Guidelines include definitions and explanatory materials for each key principle (section 3), which can provide additional (though non-exhaustive) guidance and clarity on the nature and scope of these principles. This list should be read with appropriate cross-referencing to the Ethical Guidelines.