

Guidelines

InnoFounder – Experienced

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1 InnoFounder – in short

Do you have an innovative business idea based on extensive research and/or professional experience? Is the idea still in its early phases of development? In that case InnoFounder may be of interest to you.

An InnoFounder programme can last up to 12 months. During the programme you will have access to funding that may accelerate the development of your innovative business idea.

You can apply as an individual or in a team of up to three InnoFounders.

InnoFounder offers:

- Monthly funding of DKK 30,000 per InnoFounder in the team.
- Special funding of DKK 100,000 per InnoFounder to support the development of your business idea.
- Ongoing dialogue about your experience and needs during the InnoFounder programme.

InnoFounder - Experienced is launched now in a version 1.0 with a view to develop and design the final version. The final version will, in addition to funding, include a series of accelerating activities such as mentoring, workshops, networking activities etc. You will therefore be monitored closely and asked to give your input about experiences and needs along the way, in order that we may design the best possible programme with relevant activities based on your input.

2 Who can apply?

Applicants for the InnoFounder programme must meet the following requirements:

2.1 Professional and/or research experience

You must have extensive professional and/or research experience (public/private) which provides a solid basis for your idea and its development. This means that you should, as an example, have extensive industry knowledge, insight in the technology and market understanding. You should furthermore be able to describe how your experience is relevant for your idea.

2.2 Higher education

You must have a higher education degree. These include academy profession degrees, professional bachelor's degrees, bachelor's, master's and PhD degrees from one of Denmark's university colleges, business academies, maritime educational institutions, institutions in art and architecture, universities or similar.

2.3 Individually or as a team

Both individuals and teams of up to three InnoFounders may apply for admission to the programme. All applicants must meet the requirements outlined in Section 2.

Applicants may also collaborate with persons who do not apply for admission to the programme, either because they do not fall within the scope of the programme, are otherwise employed, or do not wish to be admitted to the programme. It is important that the application clearly specifies who is applying for admission.

No matter the circumstances, it is expected that a team has been established representing various relevant competences that will support the development of the business idea.

2.4 The innovative business idea

You must have an innovative business idea. The business idea is the pivot of the entire InnoFounder programme and must be concerned with an innovative product, service or technology. The idea can fall within any field of expertise.

Furthermore, the business idea must, among other things, draw on the knowledge and the competences you have acquired through your professional experience.

You must have considered how to build an economically viable business based on your idea. Solving societal challenges may be part of your primary goal if only your idea also has a strong business potential. You may apply no matter whether your ambition is to go for a scale-up through external capital, or you intend to grow your business organically.

Your business idea must be in the early phases with extensive development remaining before the product, service or technology is complete and the business model in place. This entails that there must not already be a significant revenue based on the idea. Preliminary test sales may, however, have taken place. It further entails that no major external funding has been obtained for the business idea and the forthcoming development. You are allowed to have promised funding from external capital that is e.g. paid when a significant milestone is met, but you must not already have access to capital to fund the imminent development.

If a company has already been established, this must be a new company based mainly on the business idea and with no other products on the market. That the company is new means that the CVR number is max. 2 years old at the time of application. If a company has not been established, a company should be registered with a company's registration number at the time of admission to the programme.

2.5 You must be behind the business idea

You must be behind the business idea. If a company exists based on your idea, you must have played an important role in the creation and development of the company. You must have taken part in setting up the company and, at the time of the programme start, you must own a significant owner's share.

2.6 Can I be admitted to the programme more than once?

InnoFounder invests in the development of innovative business ideas in the early stages. The programme invests in founders who live up to the criteria that is described in the guidelines for InnoFounder – graduate and InnoFounder – experienced respectively. It applies that:

- A founder team consisting of a combination of recent graduates and persons with significant work experience can be admitted across InnoFounder – graduate and InnoFounder – experienced in the same application round¹.
- Different persons in a founder team cannot be admitted across InnoFounder – graduate and InnoFounder – experienced across different application rounds. This means that it is not possible to apply to supplement the team that is behind the innovative business idea across application rounds.
- As in individual you cannot be admitted to InnoFounder (graduate and experienced respectively) more than once with the same innovative business idea. However, you can be admitted more than once with different innovative business ideas.

2.7 Foreign applicants from EU member countries and countries outside the EU

Foreign citizens who meet the requirements outlined in Sections 2.1 to 2.6, may apply for admission to the programme insofar as the relevant authorisations and registrations are obtained. Foreign citizens from countries outside the EU should, however, have worked at least twelve months for a company in Denmark within the last three years.

¹ In this regard the same application round is understood as application rounds where the application deadlines is less than three months apart.

Foreign citizens from countries outside the EU should, insofar as they are admitted to the programme, apply for a special start-up visa to obtain permission to create self-employed activities in Denmark. Read more on www.startupdenmark.info.

Foreign citizens from EU member countries must, insofar as they are admitted to the programme, be able to provide evidence of registration obtained from the State Administration. Read more on <http://www.statsforvaltningen.dk/site.aspx?p=5466>.

It is your responsibility to obtain all the relevant authorisations and registrations from the authorities responsible.

A condition for admission to the programme is that you live and develop your business idea in Denmark and take an active part in the ongoing dialogue about the programme's development.

3 How to apply

3.1 Content of the application

The application is to be completed in the electronic application system www.e-grant.dk. The following information is to be uploaded as appendices when applying:

- Degree certificates
- CV with a clear description of the extent and character of professional experience

The application assessment will focus and be based on the idea as described in the application form. But you are welcome to attach up to 10 pages of further information, e.g. an illustration of the idea, a professional assessment of the idea or other. Attached information should not in any greater extent repeat content already provided in the application and will only be skimmed.

Any appendices must be in PDF format and total no more than 20 MB.

Applications which are not submitted via the electronic application system www.e-grant.dk within the application deadline, will not be assessed. It is your responsibility as the applicant to ensure that the application has been filled in correctly, and that the required appendices are attached to the application.

Innovation Fund Denmark (IFD) only considers information provided in the application. Supplementary information submitted via other channels than the electronic application system, e.g. via email, will therefore not be considered in the assessment of the application.

Applicants are under obligation to notify IFD immediately in the event of any subsequent changes affecting the information submitted, including funding received from other sources.

3.2 Description of the business idea

In your description of the business idea you must address the following points. The scope of the description of the business idea will be apparent from the application form.

- *Problem, value creation and solution:* Which user problem, need or desire will the idea solve or fulfil? What is the solution? If your idea solves a societal challenge, what is the value of your solution according to the UN's 17 sustainable development goals (SDGs)? Please include a short description of the solution in this section.
- *Users, market and competition:* Who are the customers/users, and how do they like the idea? What is the size and potential of the market (nationally and internationally)? How have you examined whether there are

potential users and a market for the idea? Which competing solutions exist and how is your idea innovative in comparison? How will you safeguard yourself against others copying the solution?

- *Business model*: How do you plan, in practical terms, to make a profit on your idea or establish a sustainable business model that will ensure the solution to spread? How can the idea find its way to the market?
- *Team and execution*: What are your or the team's competences, including professional experience, for implementing the idea? How does the idea build on the team's collective professional experience? In which fields do you or the team lack competences for handling future challenges, and how will you act on this?
- *History, status and ambition*: When and how did this idea first emerge? Include a description of your role in the birth and development of the idea. How far have you come in realising your idea, and what do you see as the greatest challenges to realising it – in the short and long-term? Which development tasks are you facing that an InnoFounder programme will help carry out? Where do you see yourself upon completion of the programme? How can the investment from InnoFounder contribute towards gearing the development and the potential additional funding needed?
- *Milestone plan*: Attach a milestone plan with quarterly milestones for the complete InnoFounder programme.

4 Assessment criteria

The application must be based on an innovative business idea. Your application will be assessed according to the following assessment criteria:

Novelty

- *Innovative scope*: It should be clear how the business idea builds on innovative solutions, knowledge, or technology.
- *Competition*: It should be clear how the business idea or its implementation differ from competing products or services.

Value creation and business potential

- *Market potential*: There should be clear indications that the business idea may find users and a market.
- *Market penetration*: It should be clear how the business idea can find its way to the market.
- *Finances*: It should be clear how a sustainable business model may be established in the long term.
- *Value creation*: The business idea should have the potential to create value for society either through economic growth or by solving actual societal challenges.

Implementation

- *Clarity*: It should be clear what the business idea is about.
- *Feasibility*: There should be clear indications that the business idea can be put into practice.
- *Team*: The team behind the business idea should have the relevant competences for implementing the idea.

Continued development

- *Development*: There should be clear indications that an InnoFounder programme can take the idea to a level where it can be further developed within the framework of a business set-up, possibly with the help of external capital. Additionally it is considered positive if the investment from InnoFounder can contribute towards generating additional funding needed to implement the innovative business idea.

5 Application process

The applications are initially assessed by employees at IFD and, following this process, by a panel of experts consisting of people with a substantial entrepreneurial experience.

On the basis of the applications, the panel invites the best applicants to pitch their business idea to the panel. The panel then recommends which applicants should be given admission to the program to the Board of IFD. The Board will make the final decision.

Dates for the panel pitch are set on an ongoing basis and are announced on www.innovationsfonden.dk/en. The dates are announced well in advance and it is a precondition for admission to the programme that you attend a pitch on the announced dates.

All applicants are expected to be notified of whether they are invited for a pitch about one month after the application deadline. The decision will be announced in e-grant.dk. Applicants will be notified hereof via email when the decision is available in e-grant.dk.

Applicants admitted to the InnoFounder programme should start their InnoFounder programme within four months of the commitment to funding being given.

6 The InnoFounder programme

If you are admitted to the programme, a series of conditions apply. These are outlined below.

6.1 Duration and content

The programme can last no more than 12 months, defined by a start date and an end date.

During the programme you are entitled to the following:

Monthly funding

The monthly funding is DKK 30,000 before tax. The funding does not entitle the recipient to holiday pay or retirement benefits. The funding is paid in arrears.

The monthly funding is paid out to an individual or a company. Monthly funding paid to an individual are reported to SKAT as taxable B income via your civil registration number. Monthly funding paid to a company are reported to SKAT via the company's registration number.

The monthly funding follows the individual InnoFounder. This means that if the InnoFounder is part of a team of three InnoFounders, each InnoFounder will receive monthly funding of DKK 30,000.

Funding of DKK 100,000 for special expenses

Funding totalling DKK 100,000 can be used for special services, prototypes or materials for developing the business idea. This money can, however, not be used to purchase consumer goods such as computers, telephones, food etc..

The special funding is paid to an individual or a company. Funding paid to an individual may include VAT and are reported to SKAT as taxable B income via your civil registration number. Funding paid to a company are exclusive of VAT and are reported to SKAT via the company's registration number.

The special funding follows the individual InnoFounder. This means that if the InnoFounder is part of a team of three InnoFounders, the team will have a total of 3 x DKK 100,000, corresponding to three individual programme funding combined.

6.2 Conditions of participation

As an InnoFounder you must work full-time on your business idea throughout the programme. You can therefore not be engaged in other employment to an extensive degree during the programme.

A condition for admission to the programme, is that you live and work on your business idea in Denmark.

IFD reserves the right to ask for a progress status at any time. If your progress is not satisfactory, IFD reserves the right to terminate your programme before time.

6.3 Reporting

At the end of the programme you should file your final accounts and an evaluation questionnaire. Filing the evaluation questionnaire will be a prerequisite for the final disbursement. The questionnaire should be filed no later than a month before the end of the programme. The final accounts should be filed within three months after the programme's termination.

7 Publication of information

Applicants should note that the title of the application should not contain information that may be business-sensitive as IFD may publish or issue lists of received applications with company name, project title and funding applied for.

Applicants should furthermore be aware that other parties may request access to submitted InnoFounder-applications. If this happens, IFD will, together with the applicant, make sure not to disclose business-sensitive information or other information which under existing laws cannot be disclosed.

In addition, IFD reserves the right to use application data in its ongoing evaluations and analyses, e.g. with a view to measuring the effect of the fund's investments.

8 State aid rules

Funding received through the InnoFounder programme is considered state aid and must be in compliance with Articles 22 and 28 of 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, cf.:

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0651&from=da>.

This implies, among other things, that an InnoFounder company at the time of funding being granted, should be an unlisted small enterprise within five years following its registration, that it has not yet distributed profits (this does not include salary) and does not qualify for being "in difficulty" referring to The European Commission's definition of when an undertaking is considered "in difficulty" in article 2, no. 18 of COMMISSION REGULATION (EU) No 651/2014 of 17 June 2014. Therefore, if you are admitted to the program, you must sign a statement declaring that the company meets the requirements.

You should also be aware that funding cannot be granted for the same eligible costs by IFD or other public authorities, if this entails exceeding the cap established in Article 22, Sections 3 c, 4 and 5 or Article 28, Sections 3 and 4.

9 Illness, maternity/paternity leave and violation

In case of protracted illness or maternity/paternity leave, IFD or you as an InnoFounder can choose to discontinue the programme temporarily. In such cases the programme will be extended correspondingly, when you continue the programme.

During a temporary discontinuation of the programme due to illness or maternity/paternity leave you are not entitled to receive any form of benefit from IFD. You should therefore consult the rules on unemployment benefit to learn about the opportunity for receiving sickness benefit or maternity/paternity leave benefit.

If you violate your obligations during the programme, IFD may choose to cancel its commitment to funding and terminate the programme.

These guidelines are set out pursuant to Section 18 subsection 2 (1) of the Act on Innovation Fund Denmark no. 306 of March 29, 2014, amended in Act no. 384 of April 26, 2017 and Executive Order no. 1150 on awarding of grants etc. by Innovation Fund Denmark of October 25, 2017.