

Opportunity to Apply for Funding of New Activities in Continuation of your Ongoing Innobooster Project to Meet Challenges due to the COVID-19 Crisis

The situation around COVID-19 has created difficulties for many companies – and particular challenges are seen in connection with the implementation of development activities in the companies and the start-ups. Many start-ups and SMEs face challenges such as time delays from suppliers, lack of opportunity for a dialogue with customers, stay-at-home orders for collaboration partners' key employees, difficulties to implement development work, etc. To help address such challenges, Innovation Fund Denmark wants to provide an opportunity for companies that have an ongoing or just completed Innobooster project to apply for an extension of the project. Specifically, this option is aimed at companies with Innobooster projects with an agreed project end date **after** 1 January 2020. In addition, it is possible for projects applied for in 2020 to apply for a project extension, provided that the original Innobooster project has been applied for prior to 1 April 2020.

Who can apply?

You can apply for an extension of your Innobooster project if:

- Your Innobooster project has a project end date after 1 January 2020, and we have received your **application** for the Innobooster project no later than 1 April 2020.
- You can render it probable that you need additional funding due to the situation around COVID-19. For example, maybe the situation around COVID-19 has affected your development project or market situation, requiring changes, new development or market adjustment, etc.
- There are outstanding development activities that may form the basis for an extension of the Innobooster project, hereunder activities that can support the commercialisation of the project. The general Innobooster scheme now allows for additional activities to be included in order to support the market position, and the additional grant may also be used for this purpose. See the updated guidelines at www.innovationsfonden.dk.
- You do not receive any other public support to fund the additional activities of the Innobooster project. This includes, for example, other funding from Innovation Fund Denmark, including Innofounder, or from some of the public compensation schemes initiated to mitigate the economic impact of the COVID-19 crisis.

The application is submitted through e-grant.dk via your original grant. Specifically, select 'Change Request' – 'Additional Grant COVID-19' and complete a short application form, providing basic information and a short budget.

It should be noted that failure to comply with the formal requirements in the application material or with application deadlines may result in an application being rejected without any processing of the substance.

Terms of extension

- You can apply for an additional grant of 20% of the original grant with the same grant percentage and the same set of rules as the original Innobooster grant. For example, if you received DKK 500,000 in grants from Innobooster, you can apply for an additional 20%, corresponding to a grant of DKK 100,000. The requirement is that you *add* a short additional project with a gross value of DKK 303,000 (the normal grant percentages of up to 33% will still be applied).
- The budget: The breakdown of budget items shall not follow the breakdown of the original application, but must be budgeted in continuation of the application's activity plan in accordance with the general guidelines of the Innobooster scheme and inserted in the budget form.
- The project may last for a maximum of 12 months
- Accounts, accounting principles and other matters are in accordance with the updated guidelines for Innobooster of 7 May 2020.

Allocation basis

This particular pool of funds that shall ensure the continued development of your Innobooster project is implemented within the framework of EU State subsidy rules. In this particular situation, the starting point is the EU Commission's rules on establishment aid:

Establishment aid may be given to companies established within the last **five years**, based on the date of registration of the company in the CVR register. The company must not have taken over another company's activity, distributed profits or entered into a merger. If the company is part of a group of companies, the date of registration of the oldest company in the group shall define the time of establishment. In addition, at the time of application, the company (or the group of companies, of which the company may be a part) must have less than 50 employees and 1) a balance sheet of less than EUR 10 million (approx. DKK 75 million) or 2) a turnover of less than EUR 10 million (approx. DKK 75 million). Budgeting of the activities in this project is basically an hourly rate of DKK 750 plus possible direct costs to the knowledge provider and/or materials and equipment. The use of the establishment aid option is independent of whether the former Innobooster was granted under the *de minimis* rules or the State Aid Exemption Regulation – industrial research or experimental development.

If you are unable to use the establishment aid scheme because you do not meet the criteria, you may be able to use the *de minimis* Regulation:

The *de minimis* Regulation: If, overall, your company has not received *de minimis* aid totalling EUR 200,000 (about DKK 1,500,000) in the current financial year and the two previous financial years, you may apply under the *de minimis* Regulation. (See Innobooster guidelines for additional issues regarding the *de minimis* Regulation.) Under the *de minimis* Regulation, you can use the same budgetary principles that you used in your previous Innobooster, including an hourly rate of DKK 750 as well as possible direct costs to the knowledge provider and/or materials and equipment. Use of the *de minimis* Regulation is independent of whether the former Innobooster was granted under the *de minimis* or the block exemption – industrial research or experimental development. The important thing is that there is 'air' up to your overall ceiling of the *de minimis*, including the budget used in the application for this project. If your company is part of a group of companies, the *de minimis* ceiling of maximum EUR 200,000 (approx. DKK 1,500,000) applies to the entire group.

If you cannot use any of the above two aid regulations, you may be able to use:

Group exemption – experimental development or industrial research: If you cannot take advantage of the above options, you have the option to use the group exemption scheme – experimental development or industrial research. Here the budget rules are different: You must budget with direct costs for wages etc. as well as possible direct costs to the knowledge provider and/or materials and equipment. The activities must take place within the definitions of industrial research and experimental development. You should also be aware that under this Regulation, you must be able to declare that the company is 'not undergoing a crisis', cf. the EU Regulation's definition of 'undertaking in difficulty' in Article 2 (18) of the Commission's Regulation (EU) No. 651/2014 of 17 June 2014. See also detailed notes in the Innobooster guidelines.

The legal references

Establishment aid: The aid is granted as establishment aid in accordance with Article 22 of the EU Commission's general block exemption Regulation (EU) No. 651/2014 of 17 June 2014, on certain categories of aid and their compatibility with the internal market pursuant to Articles 107 and 108 of the Treaty. See: <https://eur-lex.europa.eu/legal-content/DA/TXT/HTML/?uri=CELEX:02014R0651-20170710&from=EN>

Regarding the specific definitions and legal references for *de minimis* aid and the block exemption Regulation – experimental development or industrial research: See the guidelines for the Innobooster scheme, where the legal descriptions appear.

Criteria for granting extension

- Need: Has it been rendered sufficiently probable that there is a need that can be justified by the situation around COVID-19?
- Results: Are the results of the previous Innobooster course satisfactory?'
- Development: Have development activities been described, including, for example, market development, that may form the basis for an extension of the Innobooster course?

How do you apply?

Application: The application is submitted as an application for a change request under your original grant number, e.g. (9071-00xxxB). Application and processing are ongoing, and the scheme is open until 15 November 2020. However, the scheme may close before 15 November 2020, if the amount allocated to the scheme is exhausted ahead of time.

If you are eligible to apply, but your original Innobooster grant has been completed (your final report has been approved, etc.), please send an email to innobooster@innofond.dk with your case number, and we will reopen your grant so you can apply for an additional grant.

Reporting: You must prepare financial accounts in accordance with the applicable Innobooster guidelines.

Do you have questions?

Contact Innobooster's hotline at +45 6190 5005 on weekdays between 9 and 12 or send an email to Innobooster@innofond.dk