

Guidelines:

Innobooster

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Definitions:

Project: The word 'project' denotes a job with a limited timeframe and fixed set of activities and resources. It must be distinguishable from the day-to-day operations of the company.

Solution: In the context of an Innobooster project, a solution may constitute an innovative way to help develop and reach market maturity for a new product or service with economic and social potential or to significantly improve an existing company process in order to seriously improve your competitive position.

Founder: A founder is a person who has contributed to the establishment of the applying company and thus holds an owner's share of the applying company and is evident in the Central Business Register – either directly or via a second company, though there must be a direct connection between the applying company and the founder.

Employee: An employee is a person employed by the company, and who has entered into a contract with the applying company (employment). The employee may be a part-time or full-time employee. The employee must be included in the company's ATP contributions.

Pitch/panel: At a pitch, the applicant presents the project to a group of selected persons with expertise and extensive experience within e.g. innovation, entrepreneurship, business development and various subject areas (the panel).

In case of any uncertainties or differences between the UK version and the Danish version of the guidelines, the Danish version is superior.

1 The programme

1.1 Innobooster – in short

Innovation Fund Denmark invests in the translation of promising ideas into solutions that create growth and employment in Denmark and which contribute to solving societal challenges. Innobooster is Innovation Fund Denmark's programme for knowledge-based innovation projects in small and medium-sized businesses and startups.

An Innobooster project may, in an innovative way, help develop and reach market maturity for a new product or service with economic and societal potential. It also invests in projects aiming to significantly improve existing processes in a company in order to seriously improve the company's competitiveness. These different forms of innovation are defined in these guidelines as 'solutions'. In order to develop a new solution, you may need to infuse expert knowledge into your company through collaboration with a knowledge institution and/or private knowledge company or hire a new employee with special skills. To receive an Innobooster investment, the innovation project must, regardless of the type of solution, help reduce the company's extraordinary risk in connection with the project. At the same time, the solution must be able to help solve societal challenges within one of the three areas described in section 1.3.3.

The Innobooster programme includes both projects of significant risk and novelty value focussing on solution development as well as projects focussing on testing and customisation. The latter may take the form of market maturation or testing of a prototype or service in real user situations with a potential customer or end user. However, in order to achieve funding the project must include a significant degree of development, as Innobooster does not invest in projects involving testing and verification activities only.

Innobooster investments range from DKK 50,000 to 5 million. The higher the amount applied for, the higher our demands for e.g. the innovative and business potential of the solution and its societal value.

1.2 Who can apply?

In order to apply for an Innobooster investment, your company must have a Danish company registration number at the time of application. It may take the form of a public-limited or limited liability company or an owner-operated business. Your company constitutes the legal entity applying for funding, and it is solely responsible for the project and any underlying financial obligations concerning financing, reporting etc.

In order to apply for an Innobooster investment, your company must be within the scope of the European Commission's definition of an SME. This means that the company must have a staff headcount of less than 250 **and** an annual turnover of no more than EUR 50 million **or** an annual balance sheet total of no more than EUR 43 million.

If your company is part of a group of companies or affiliated to a larger company, these requirements apply to the entire group of companies and not just the company applying for Innobooster funding.¹ Should you receive funding and your company in the project period is being acquired by and subsequently become part of a group of companies that fails to meet the SME conditions, the grant will be terminated on the takeover date.

In addition, your company must meet at least one of the two economic criteria listed below:

- Attracted a documented supply of external risk capital of no less than DKK 100,000 within the past three years. Documentation of this supply of external risk capital must be presented on request and/or in connection with revision. At the time of application, the applicant must sign a solemn declaration stating that the funds exist, have been received by the company and meet the below definition.
- Secured a documented gross profit of no less than DKK 250,000 in the last published annual accounts.

The definition of external risk capital is:

- Cash contribution or convertible unsecured loan provided by another legal entity within the past three years.
- Contribution provided by another public or private programme targeted at specific development activities in the company. Innofounder investments in the applying company and Innoexplorer funding for development of the basic idea behind the application are also considered external risk capital.

Risk capital is not:

- Loans provided by banks, institutions providing loan capital or owners, where there is a primacy requirement and agreed on and initiated business/reimbursement.
- In kind hours spent by founder or other types of non-monetary investments cannot be included as legitimate external risk capital.

Innobooster does not invest in:

- Companies under compulsory dissolution, bankruptcy, voluntary liquidation or in suspension of payments.
- Companies where more than 50 per cent is owned by the state, regions or municipalities.²
- Companies where operational subsidies from public institutions amount to more than half of the turnover.

¹ A company is part of a concern when a company owns more than 25 per cent of the capital or voting rights of another company. Read more about concerns and the EU [SME definition](#).

² For more information, please see http://publications.europa.eu/resource/cellar/79c0ce87-f4dc-11e6-8a35-01aa75ed71a1.0001.01/DOC_1

The Fund does not grant exemptions from the above economic criteria.

Innovation Fund Denmark wishes to promote diversity in all its aspects. The Fund therefore encourages all interested companies to promote diversity in their team composition by adopting an inclusive approach to e.g. ethnicity, religion, gender, disabilities, neurodiversity, age and/or nationality.

1.3 What can Innobooster invest in?

Your project is innovative and creates growth, employment and value for the company and society

You must have an innovative idea for a solution that may be translated into a business activity that contributes to the company's development and, when all comes to all, creates value for the Danish society. The innovative aspect of your idea may be to combine new knowledge with new or existing solutions for the purpose of developing new solutions.

The following types of expenses may be covered by the Innobooster investment:

- Hours spent by new or existing company employees or founders on activities that are part of the innovation project.
- Expenses for public and private knowledge providers, both Danish and foreign (e.g. universities, GTS institutes, contract research institutes, private knowledge companies and specialists).
- Cost of materials, equipment rent and depreciation costs of new equipment when used in connection with the project and in the project period. These costs must amount to at least DKK 10,000 per invoice to be included in the budget and the financial accounts.

Expenses and costs that are not specifically justified in the application cannot be included in the Innobooster budget or the financial accounts.

The solution must require a significant degree of development before it is fully developed and thus ready for market implementation. Innobooster does not invest in projects with a fully developed solution ready for market implementation, and where the remaining activities mainly deal with sales, marketing, testing and documentation and commercial production. If the solution has already been marketed and the project deals mainly with optimisation and further development, the solution has probably come too far in its development to receive Innobooster funding.

Your project falls within the three themes supported by Innobooster

Innobooster can invest in innovation projects that fall within the three themes below defined in accordance with the 'Agreement on the distribution of the 2021 research reserve':³

'Ambitious and sustainable green technology development and innovation' is defined as follows:

Danish research and innovation must contribute to solving the great and difficult challenges that are vital to fulfilling the Government's green agenda. Innovation Fund Denmark invests in knowledge-based innovation projects that can lead to the development of the green technologies and solutions needed for to transition to a sustainable future in which we reduce the emission of greenhouse gases, protect our environment and nature and create a green business adventure in Denmark.

This theme relates to green projects within energy production and efficiency, agriculture and food production, transportation, environment and circular economy, nature and biodiversity and sustainable behaviour and societal consequences of climate change. Key to the projects eligible for funding is that they make a significant contribution to the green transition and that expectations of such contributions are evident from the funding application.

'Life science, health and welfare technology' is defined as follows:

Innovation Fund Denmark supports Denmark's strong knowledge and research position within life science, health and welfare technology by investing in research and innovation projects that develop solutions and technologies benefitting public health, companies' bottom line and Denmark's international competitiveness.

The Fund invests in challenge-driven health projects at all stages of the innovation value chain capable of propelling the health, economic and societal development.

Innovation Fund Denmark investments may e.g. contribute to new knowledge on or the development of new health and welfare technology, service efficiency improvements in the public sector, improved prevention and treatment in primary healthcare and hospitals and reduction of health inequalities.

The Fund's investments must also help strengthen clinical research in Denmark so as to e.g. support the quality and efficiency of the healthcare system. The Fund may also invest in clinical research that contributes to the development of personalised medicine, digital healthcare, including health data, artificial intelligence and increased use of virtual and technological tools in connection with clinical trials.

'Technology and innovation to retain production and jobs in Denmark' is defined as follows:

³ Read the agreement at (in Danish): <https://ufm.dk/lovstof/politiske-aftaler/endelig-aftale-om-fordeling-af-forskningsreserve-og-mere.pdf>

Innovation Fund Denmark invests in research and utilisation of technological opportunities and innovation that may contribute to creating growth and value in Denmark.

The Fund's investments must create fertile soil for Danish companies and foreign companies based in Denmark to develop products and new knowledge-based solutions contributing to growth and employment in Denmark.

Investments may e.g. support the development of robot and drone technology and other forms of automated production technology.

Innovation Fund Denmark also invests in projects that contribute to the digital development, including the development of artificial intelligence and digital transition. This also applies to projects that create new knowledge about the effect of digitisation on people and society.

Furthermore, the Fund may invest in projects that contribute to creating better, safer jobs in Denmark benefitting the employees and companies' bottom line figures via e.g. research into the physical, psychological and chemical working environment.

This means that Innobooster only invests in projects that fall within at least one of the three themes. When completing your application, it is therefore important that you describe how you believe the project solution contributes to the theme in question and which social challenges it may help solve. The assessment of your application will take into account the relevance and contribution of the project vis-à-vis the given theme.

1.4 Which expenses does Innobooster cover?

In Innobooster, Innovation Fund Denmark co-finances a maximum of 35 per cent of the company's relevant expenses and costs for the Innobooster project and can invest between DKK 50,000 and DKK 5 million per project.⁴

Applicants should be aware that, as a result of EU State aid rules, there is a significant difference in how payroll costs are calculated, depending on whether you apply for more or less than DKK 1,500,000 in funding from Innovation Fund Denmark.

Special rules applying to Innobooster investments below DKK 1,500,000

The company's payroll costs for employees and participating founders in the project are calculated on the basis of a fixed hourly rate of DKK 750, which includes overhead (such as rent, travel costs, IT equipment, office expenses, ongoing operating costs, etc.) and all minor project costs. The budget may include hours from employees and founders which are directly related to the approved development activities in the Innobooster project. There is a maximum of 135 hours of work per person per month on the Innobooster project. The budget cannot include expenses for which other forms of subsidies are received, including wage subsidies. Hours from unsalaried

⁴ Following the EU State aid rules, certain limitations apply to primary producers of agricultural products as well as to the fishery and aquaculture sector. See section.1.

student aids and trainees and other volunteer staff cannot be included in the budget and the accounts. Hours performed by persons who are affiliated with the company as freelancers must be included in the budget and the accounts as knowledge providers and settled on the basis of invoices and not the fixed hourly rate.

Inno booster investments below DKK 1,500,000 are treated as state aid under the so-called de minimis rules, which are described in more detail in section 6.1.

Inno booster projects supported with investments below DKK 1,500,000 cannot be conducted under any other state aid rules.

Special rules applying to Inno booster investments above DKK 1,500,000

All the company's expenses for employees in the project are calculated based on the employee's actual wages. Actual payroll costs incurred are calculated on the basis of annual gross salary, including pension, holiday allowance and supplementary labour market pension. To calculate the hourly wages, an annual average of 1,628 hours must be used for a full-time employee. The calculated hourly wages for each employee may maximally amount to DKK 1,000. The calculation may not include expenses related to overtime work, illness, leave, bonuses, value of stock options or the like.

The hours spent by a founder on the project may only be included if he or she is employed and paid a salary by the company, and the participating hours are calculated on the basis of the same rules as employees.

Only employee hours that directly relate to the approved development activities in the Inno booster project may be included in the budget. There may maximally be a consumption of 135 working hours per person per month on the Inno booster project. The budget and the financial accounts may not include expenses for which other forms of subsidies are received, including wage subsidies.

Inno booster projects, in which Innovation Fund Denmark invests more than DKK 1,500,000, must qualify as 'experimental development' or 'industrial research', as these investments in terms of State aid are managed according to the EU block exemption regulation. A detailed explanation of this can be found in section 6.2.

Rules applying to all Inno booster projects

Both new and existing employees may be co-financed by Inno booster, and you must account for whether the employee(s) participating in the project is/are employed by the company at the time of application. An employee employed at the time of application is categorised as an 'existing employee', whereas an employee employed after the application data, e.g. in connection with attainment of funding, is categorised as a 'new employee'. Administratively, the individual employees will remain in the respective categories throughout the project period.

Persons affiliated to the company on a freelance basis are not considered company employees, but knowledge providers. The service they provide must be invoiced by the freelancer(s) involved and paid for by you as applicant.

Costs for collaboration with public and private knowledge providers (e.g. universities, GTS institutes, contract research institutes, private knowledge companies and private specialists) approved in connection with the application are co-financed on the basis of paid invoices and are included in the budget and the accounts exclusive of VAT. This also applies to equipment and materials costs.

If you use a knowledge provider who is part of a group of companies also including the applying company, this must be noted in the application. You must also explain why you believe this knowledge provider to be the best candidate for the job and on which invoiced hourly rate the service is based.

When purchasing new equipment, only the depreciation costs can be included in the budget. Depreciation costs on the company's existing equipment are not accepted as part of the project budget. Expenses for the acquisition of new equipment can be included in the budget to the extent and for the period it is used for the project. If such equipment has a life cycle that extends beyond the Innobooster project, then the depreciation costs may only be included for the duration of the project, calculated on the basis of generally accepted accounting policies. If the equipment is used both for the Innobooster project and for other purposes, only a relative proportion of the depreciation costs can be included, corresponding to the use of the equipment for the Innobooster project.

The acquisition of equipment that may subsequently be part of a commercial production is generally not financed.

Invoices of less than DKK 10,000 for equipment and materials cannot be included in the Innobooster budget or the financial accounts. Innobooster does not finance invoices issued internally, e.g. for the purchase of an applicant's existing stock. Only invoices issued by external providers are accepted.

Please note that expenses relating to normal operation and development of the company, including e.g. establishment, continuous operational optimisation, strategy development, sales and marketing initiatives, communication, initial market or customer clarification etc., fall outside the scope of the Innobooster programme.

Innovation Fund Denmark's maximum co-financing rate (35 per cent) applies to each budget item and to the total project. Please state in the budget the total investment percentage you wish the Innobooster programme to cover.

1.5 How much can you apply for?

You can apply for funding of up to 35 per cent of your expenses for the concrete Innobooster project. Innobooster offers an investment of between DKK 50,000 and DKK 5 million.

	50.000 DKK - 1.499.999 DKK	1.500.000 DKK – 5.000.000 DKK
State aid rules (see section 6 for more information)	De minimis	Block exemption
Wages	Up to 35 % of fixed hourly rate – calculated as DKK 750 DKK per hour	Up to 35 % of actual payroll costs
Knowledge provider	Up to 35 % of paid invoice	Up to 35 % of paid invoice
Materials and equipment (no less than DKK 10,000 per invoice)*	Up to 35 % of paid invoice	Up to 35 % of paid invoice

*Please note that each invoice **must** be of a minimum of DKK 10,000 excl. VAT to be included in the budget and accounts.

1.6 How long can your project last?

An Innobooster project can last no more than 24 months, preferably less. You must establish and apply for a project period that is realistic for your project. Here it is important to set a clear start and end date. When establishing a start date you should take into account the time we spend assessing your application. You should therefore include sufficient time for assessment between the date of application submission and the expected project start date. The number of days we expect to spend assessing your application will be evident from the Fund's website. Should the assessment take longer than expected, your start date may have to be postponed.

2 Application

2.1 How do you apply?

You must complete and submit your application online via the electronic application system E-grant.

Before you can create an application, you must register as a system user with a user name and password or using Nem ID.

When you have logged into the system, you will – under 'Search options' – find three Innobooster pools. You should choose the pool that matches the investment you want to apply for. You can choose between investments of DKK 50,000-499,999, DKK 500,000-1,499,999 and DKK 1,500,000-5,000,000, respectively.

The amounts listed above represent the Innovation Fund Denmark investment you wish to apply for, **not** the total project costs. If you apply for the wrong pool, Innovation Fund Denmark will reject your application administratively and you must start over with a new application.

You create a new application by finding the right call under 'Search options' and pressing 'Start application'.

Please note that the list of search options is arranged alphabetically, and that the names of all Innovation Fund Denmark calls begin with 'IF'.

You may write your application in Danish or English.

You can find a [guide to E-grant on the Ministry of Higher Education and Science's website](#).

Only persons employed by the company may be the contact person and submitter of the application. The person submitting the application must be able to sign for and commit the company in relation to the indicated information and obligations.

2.2 What should your application contain?

The application consists partly of an administrative part completed directly in E-grant, where various information and declarations are provided and where a budget is made for the project, and partly of a part completed in a Word template named 'Faglig beskrivelse', which includes a description of:

- The company
- The idea
- The Innobooster project
- Activity plan (schedule)
- The market
- The business-related gain
- The team
- Results from any previous Innobooster grants

The template for the project description can be downloaded from Innovation Fund Denmark's website: [Template for "Faglig beskrivelse" \(the template is only available in Danish\)](#). In the project description, a photo or link to a short video can be added elaborating on or supporting the application (max. 2 minutes). You cannot attach or link to other documents, descriptions, statements of support or other forms of documentation of e.g. customer interest. Should you nevertheless choose to attach such documents, they will neither be processed nor form part of our assessment. That is, we only process the information provided in the application. Should you choose to send supplementary information outside the application system, e.g. by email, this material will neither form part of our processing of your application. Similarly, you cannot forward material or make changes to an application once it has been submitted. If you detect an error or need to

make changes, you must retract your application and start over with a new application. Our assessment of the new application will be made on the basis of the new date of submission. That is, you will lose your old 'place in the queue'.

The project description is uploaded in E-grant.dk as a pdf file, at the same time as the various declarations and factual and administrative information are provided.

An application may not be submitted until the budget is ready and the tasks for possible knowledge providers/subcontractors have been clarified. Possible new employees need not be specifically mentioned by name at the time of application, but their competency profiles must be clearly described.

2.3 Supplementary information

Only one Innobooster application is accepted for processing at the same time. This applies both to the company and the contact person in question. If as a company or contact person, you submit several Innobooster applications for processing at the same time, only the first application submitted will be processed, while the others will be administratively rejected.

Furthermore, it should be noted that failure to comply with the formal requirements in the application material – including the submission of additional material and non-compliance with the requirements concerning the scope of the application – or with the application deadlines of the programme will result in an application being administratively rejected. This means that we do not assess the professional content of your application.

You may have an ongoing Innobooster project at the time you submit a new Innobooster application. However, please note that if there is a connection between the ongoing project and your new application, the results of the first grant should be made clear and how it contributes as a foundation for the subsequent application.

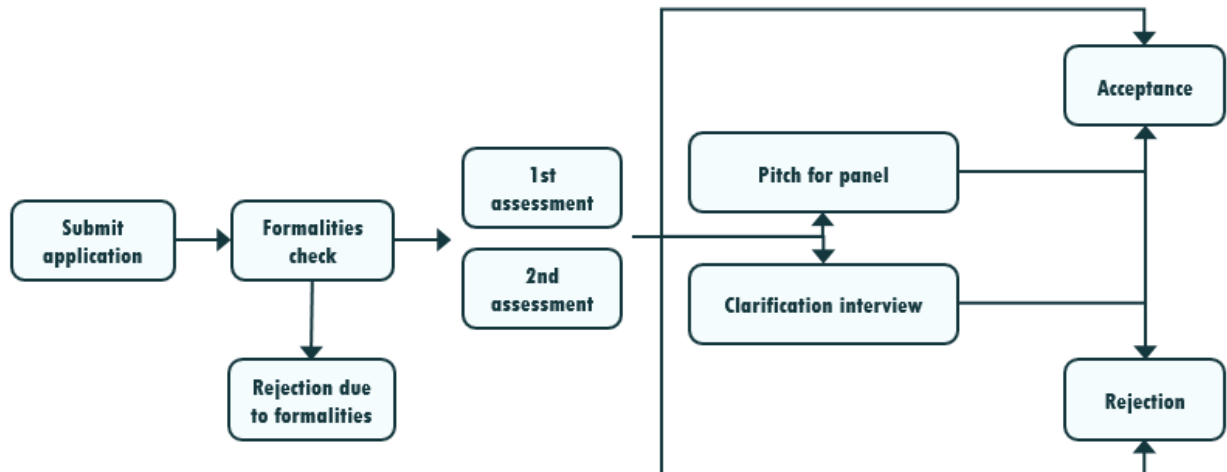
3 Assessment

3.1 How are applications evaluated?

The first step in the assessment process is to determine whether your application meets the formal requirements outlined in these guidelines. If your application is rejected at this stage, you will receive an administrative rejection. This gives you a chance to correct the listed shortcomings and subsequently resubmit your application as a new application via E-grant.

If your application meets the formal requirements, your application will be evaluated on the basis of the material you have submitted via E-grant. In addition, the assessors will make use of any prior knowledge and possibly data provided by publicly available sources (e.g. literature and patent databases and The Central Business Register for company verification purposes) for the sake of verification of the information provided in the application.

Are you applying for less than DKK 1,500,000 from Innobooster?



As a rule, applications for an investment of less than DKK 1,500,000 are evaluated based on the application alone, and the assessors' recommendation will form the basis for the final decision made by Innovation Fund Denmark.

However, as an element of the assessment process, Innovation Fund Denmark may request projects of less than DKK 1,500,000 to attend a clarification interview with Innovation Fund Denmark employees.

If your application is called to a clarification interview, it is because the assessors, after processing your application, have questions regarding the content and understanding of your application which cannot be answered on the basis of the submitted material, but which may be addressed at a short interview.

When Innovation Fund Denmark chooses to call applications for a clarification interview, it is due to the Fund's long-time experience with clarification of needs and with situations where we know that such clarification provides us with the best basis for making a final decision. Clarification interviews are relevant for applications for projects that are as a rule considered worthy of funding. Clarification of the content of an application may consist of:

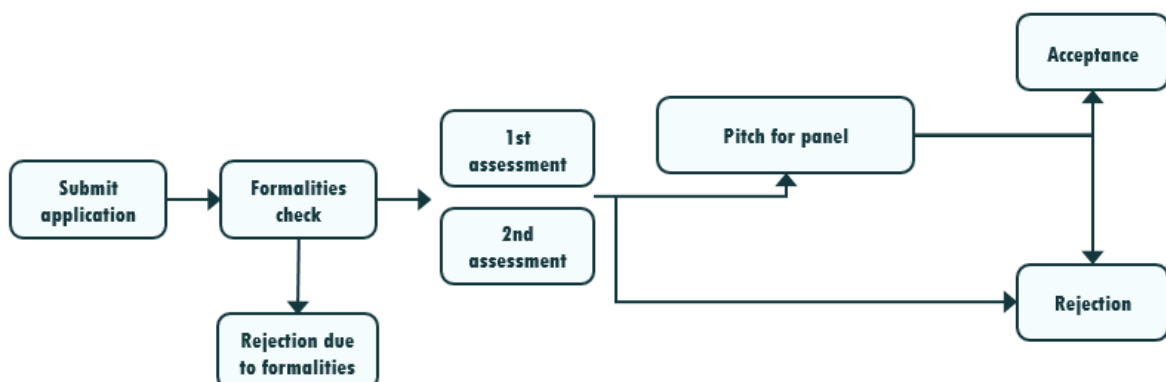
- Clarification of the listed development activities, including need for supply of knowledge
- Clarification of budget-related questions
- Clarification of competitive relation to specific and named competitors
- Clarification of market focus vis-à-vis the information provided
- Clarification of concrete unclear activities and their criteria for success

- Clarification of resource consumption in connection with individual activities and resource distribution between employees involved in the project and between employees and possibly knowledge providers
- Clarification of concrete elements of the business model such as validation of turnover, expected profit, payment model etc.
- Clarification of the skills and relevans of individual team members and knowledge providers
- Clarification of the calculation model for knowledge providers and subcontractors
- Clarification of necessary equipment, apparatus and materials, including their value after the project end date
- Clarification of applicant's financial means for completing the project and subsequently implementing the results

Should you be invited to a clarification interview, you will prior to the virtual interview receive a short description of the main items on the agenda. The final assessment is made on the basis of the submitted application and the clarifying information provided at the interview, and the assessors will subsequently forward their recommendation to Innovation Fund Denmark which makes the final decision.

In special cases, Innovation Fund Denmark may choose to invite you to present your project to our panel. This is done in cases where we find that there is a need to involve specific professional expertise held by the panel members, and which may be vital as a further qualification of our basis for decision. If you are invited to present your project to our panel, you can read more about the process below under investments between DKK 1.5 and 5 million.

Are you applying for DKK 1,500,000-5,000,000 from Innobooster?



If you are applying for an Innobooster investment of more than DKK 1,500,000, Innovation Fund Denmark will make an initial administrative and content assessment of the application as described above. If it is deemed sufficiently qualified, you are invited to present the Innobooster project to our panel. The panel recommends the project for rejection or approval to Innovation Fund Denmark which makes the final decision.

If you are applying for less than DKK 1,500,000, but have previously received an Innobooster investment, which means that the total investment exceeds DKK 1,500,000, you will be invited to present your project to the panel insofar as your application is deemed sufficiently qualified.

3.2 Who evaluates your application?

Initially, Innovation Fund Denmark's employees will determine whether your application meets the formal requirements.

All applications that meet the formal requirements will then be assessed both by a first reader and a second reader. The first reader is recruited among the Fund's professional staff or a corps of affiliated assessors with relevant professional competences. The second reader is always an employee from the Innobooster programme team and thus a programme specialist. Together the two assessors will draw up a recommendation, which is presented to the Management Team of Innovation Fund Denmark.

In connection with the assessment process, all applicants can be invited to a clarification interview with Fund employees or to pitch their project to our panel.

Applicants applying for less than DKK 1,500,000 can in certain cases be called to a clarification interview if we need clarifying information about unresolved issues or in special cases be invited to pitch their project to our panel (for more information, see section 3.1). Present at the clarification interview will be a minimum of three Fund employees, including the second reader from the Innobooster programme who is responsible for assessing your application. The other two participants can be from the Innobooster team or other relevant members of staff. Projects can be granted funding without being invited to a clarification interview.

All applicants applying for an Innobooster investment of more than DKK 1,500,000 and whose application receives a positive evaluation from our first and second readers, are invited to do a pitch in front of our panel. The panel consists of selected members of our corps of people with expertise and experience within e.g. innovation, entrepreneurship, business development and various specialised areas. A list of Innovation Fund Denmark's expert panel members is available at www.innovationsfonden.dk. For your pitch we will put together a panel of members with professional insight into the main theme of your application.

Whether you are invited to a clarification interview or a panel pitch, the final decision regarding your application is always made by The Management Team of Innovation Fund Denmark.

The board of Directors of Innovation Fund Denmark makes sure that the guidelines and processes described here are adhered to.

Everyone participating in the assessment process are subject to confidentiality obligations and Innovation Fund Denmark's enhanced requirements regarding legal capacity. A list of Innovation Fund Denmark's rules regarding legal capacity is available at www.innovationsfonden.dk.

3.3 On which criteria do we base our assessment of your application?

Your application must take as its starting point the innovation project and expected solution. Your application will be assessed on the basis of the following three evaluation criteria which are weighed equally in our evaluation.

The evaluation criteria are:

- *Quality of the idea*
- *Impact*
- *Quality of execution*

In connection with the three evaluation criteria Innovation Fund Denmark emphasises the following:

Quality of the idea

- That it is clear what constitutes the basis of the idea and its new and innovative aspects, which may lead to a marketable solution.
- That it is clear which concrete and difficult challenges the development project must overcome before the project is marketable.
- That the company to a sufficient extent is supplied with new knowledge in connection with the project.
- That it is rendered probable that the Innobooster project involves innovative development activities.
- That it is clear which concrete market- and knowledge-related risks the development project involves and how these will be met.
- That the project results to a sufficient extent distinguish themselves from the solutions already available in the market.
- That the final solution of the project is clearly described.

Impact

- That it is rendered probable that there is a need, users/paying customers and a market of a relevant size in Denmark or internationally.
- That the company will gain a competitive advantage due to the project.
- That the concrete business model and go to market deliberations regarding the activities from project end to commercial implementation are clearly described.
- That the business gains of the project to a sufficient extent results in economic growth, export and/or employment in Denmark.
- That there is a connection between our investment vis-à-vis the company's risks and the expected business gains of the project.
- That the project falls within the outlined thematic area and has the potential to contribute to goal achievement within this theme, and that any societal impacts are sufficiently described.

Quality of the execution

- That there is a clear activity plan with clear, quantifiable milestones and criteria for success.
- That the project is realistic and realisable.
- That the company has the necessary financial resources to conduct the project.
- That the company has a team with relevant competences and experience to conduct the project, and that the chosen knowledge providers/new employees are relevant.
- That the project budget is reasonable and realistic considering the outlined activities.
- That the content and individual elements of the application are clear and specific.

There is a significant difference between the requirements for projects of e.g. DKK 100,000 and 500,000, respectively, just as there is a significant difference between the requirements for projects of e.g. DKK 500,000 and 5 million, respectively. Therefore, you should carefully consider whether you have found the right balance between the size of the investment applied for and the effect of the project, including the expected business gains and project development risks.

We always evaluate the accumulated investment. This means that if your company has received an investment of e.g. DKK 500,000 and subsequently applies for another investment of e.g. DKK 1,100,000, the two will be assessed as a total investment of DKK 1,600,000. This affects our evaluation of the project's innovation potential, value creation, impact etc.

It is also important that a realistic budget is made, e.g. where the project hours included in the budget are in line with the activities that the company must implement in the project. The distribution of hours spent on the individual activities must be evident from the budget.

It is possible and may be a good idea to divide high-risk projects into smaller sub-projects in order to reduce the risk associated with an investment, both for the company and for Innovation Fund Denmark. A new sub-project can be applied for when the current project has been finalised. In such cases, Innovation Fund Denmark will also consider the specific results achieved in connection with previous Innobooster projects or other public subsidies for the company's development projects, the effect of these results on the company and how this value can be documented.

If you choose to divide your project into smaller sub-projects, it is important to ensure that the individual projects can achieve concrete and significant results that can subsequently be documented.

For larger staged projects, Innovation Fund Denmark expects to see a need for increased external funding, and our assessment will also emphasise your financial strength and, where relevant, interest shown by external investors.

3.4 When can you apply for an Innobooster investment?

You can submit your application when it is convenient. Innovation Fund Denmark aims to keep the Innobooster programme as open as possible, and we process Innobooster applications on an ongoing basis. Please be aware of possible application pauses, though. The programme might be closed for applications in December and January. Application pauses are announced on the website at least two months before the pause. The application platform E-grant will be closed

during the pause, which means that you cannot upload new applications. However, we continue to process applications during this period.

The three themes under the Innobooster programme have their own investment budgets. This means that once we have received the number of applications we expect to be able to invest in that year, we will stop receiving applications for one or more of the themes. At least four weeks in advance we will announce the shutdown of a theme for which almost all the funds for that financial year have been spent and the date on which we no longer receive applications for that theme. The theme in question is then most likely to be closed for the rest of the year and will be reopened the following year. We process all submitted applications.

If we are able to reopen the theme later that financial year, this will also be announced on the website.

3.5 How will you receive an answer to your application?

The majority of our communication with you will go through E-grant. This is where you will receive news about our processing of your application and when we have reached a decision. If your application is successful and you are granted funding, all correspondence will continue through E-grant. If you are invited to present your project to our panel, you will be informed directly via email.

3.6 When will you receive an answer to your application?

Innovation Fund Denmark aims to answer applications as fast as possible. However, the number of applications varies significantly over the year, and we are therefore unable to establish a time frame for our evaluation of your application. Innovation Fund Denmark's website should be able to give you an idea of the expected processing time and at which part of the year we expect to have the shortest processing time. If you are invited to a panel pitch or clarification interview, this will increase the total processing time.

If your application is rejected, you are welcome to reapply by submitting an application that takes into account the reasons for the rejection provided in the written rejection of your previous application.

If you require clarification of the reasons for the rejection, you are welcome to contact the employee listed in your rejection letter to arrange for a short feedback interview. If you are interested in such a feedback interview, please send an email to the employee in question no later than four weeks after receiving the rejection. We only conduct feedback interviews when the applicant participates in person.

4 From approval to project start

4.1 What happens after your application has been approved?

You will receive a grant letter via E-grant and, at the same time, be asked to accept the grant requirements electronically within three months. Acceptance of the grant requirements is a precondition for receiving funding, just as it enables us to approve your first accounts etc.

If there are conditions associated with the approval, they will be listed as tasks. These tasks must be completed before your project can commence.

The earliest possible project start date is the date at which funding is issued. The start date will be evident from the grant letter.

5 During the project

5.1 Do you need to submit accounts or reports during the project?

Accounts must be submitted every three months. The accounts task in E-grant will open exactly three months after the grant start date and then once every three months until the project has been completed. Accounts cannot be submitted at shorter intervals. You submit your accounts by downloading the Excel sheet in E-grant, completing and submitting it via E-grant. You can only submit one accounts sheet at a time.

For all projects receiving an Innovation Fund Denmark grant, an auditor's statement must be prepared each project year, where the auditor certifies that the submitted accounts are correct and that the grant has been used in accordance with the approved grant basis and the requirements listed in the grant letter and in these guidelines. If your project lasts 15 months or less, the auditor's statement should only be submitted at the end of the project period.

If you have received an investment of more than DKK 500,000, you will halfway through the project period also be asked to submit a progress report which in a structured and concise form accounts for the status of the project, remaining activities and any changes or new perspectives vis-à-vis the project goal at the time in question. The progress report must be produced as a Power-Point presentation provided via E-grant. Together with this task you will receive a description of the requirements for the content and form of the presentation. This type of mid-term evaluation ensures that we at Innovation Fund Denmark get an overview of the development of the project. We reserve the right to call you to a virtual or physical meeting if we feel that you need to clarify aspects of the presentation. In extremely exceptional cases, Innovation Fund Denmark may terminate the grant if the project deviates significantly from the plan and we in the process have not approved any changes to the project etc. The progress report cannot replace a request for changes. If you need to make concrete changes to your project, you must submit a request for changes through E-grant. For more information, see section 5.3.

5.2 How is the investment paid out?

Innovation Fund Denmark has 30 days' processing time to go over your accounts. If we approve the accounts, it may take 10 days from the day of approval before the funds are transferred to your company's NEM account. All Innobooster project funds are paid in arrears and on the basis of the actual expenditure listed in the submitted accounts. Payment in advance is not an option.

5.3 What happens if you are unable to keep to schedule?

We know that innovation projects cannot always follow the original plan, and we are therefore happy to enter into dialogue with you about possible changes that you consider to be necessary to realise the potential of the project. It is therefore possible to introduce adjustments to the project in the process, e.g. in the form of new milestones, knowledge providers, end date or budget distributions. Requests for changes must always be approved by Innovation Fund Denmark prior to their implementation, though, and such approval presupposes that the requested changes have been substantiated. Requests for changes are submitted electronically via the E-grant system through the 'Request changes' function on your project page.

You can apply for an extension of the project in the course of the project period, but extensions where the total project duration exceeds 24 months are rarely accepted. Requests for changes to the project end date must be submitted no later than 14 days before the original end date. Requests for project extensions received later than 14 days before the project end date or after the project end date will, as a rule, not be accepted.

You must inform Innovation Fund Denmark of any significant changes affecting the overall Innobooster project as soon as possible via e.g. Innobooster@innofond.dk or E-grant. In rare cases, projects turn out not to have the expected potential or cannot be realised for technical reasons. In such cases we will enter into dialogue with you on how best to end the project. Other significant changes can be e.g. bankruptcy and suspension of payments, sale of the company etc.

5.4 What should you do in connection with the end of the project?

At the end of the project, you must – aside from the final accounts – complete an evaluation of the process and produce a short final report. These documents must be submitted no later than one month after the end of the project period, and together with the final accounts and auditor's statement they constitute the end of the project. Once we have approved this material, we will pay out the last 15 per cent of your total grant. We always retain 15 per cent of your grant until this stage regardless of your expenditure level up until the last accounting period. This means that you can still request funding even though your consumption exceeds the 85 per cent.

You will be reminded of the final accounts, auditor's statement, final presentation and evaluation via E-grant.

6 State aid rules for companies

6.1 For investments of up to DKK 1,500,000 – the de minimis rules

Investments of up to DKK 1,500,000 are allocated according to the EU Commission's de minimis rules for state aid.⁵ Thus, in connection with the application, it must be stated how much de minimis aid the company has received during the current and the two previous financial years, and from where the aid has come.

The company may receive a maximum of EUR 200,000, corresponding to approx. DKK 1,500,000, in de minimis aid over three financial years. If the grant from the Innobooster programme will cause the company to exceed this limit, the company will not be entitled to receive an investment from Innobooster under the de minimis rules.

How do you know if previously received aid was granted under the de minimis rules?

Companies may receive aid from several different schemes, and under some of these schemes, the aid is granted according to the de minimis rules. If a scheme is applying the de minimis rules, this must be explicitly stated in the provisions of the aid scheme and in the letter of approval to the company. If in doubt, you may contact the authority responsible for the scheme in question.

Handling of the de minimis rules for mergers, business transfers and splits

In the case of mergers and business transfers, all de minimis aid granted to the merging companies so far must be taken into account when deciding whether new de minimis aid to the new or acquiring company exceeds the relevant ceiling, cf. the general de minimis regulation, article 3 (8).

If a business is split into two or more independent companies, the de minimis aid granted prior to the demerger must be attributed to the company which it benefited, which as a rule is the company that takes over the activities for which the de minimis aid was used, cf. the general de minimis regulation, article 3 (9).

Special rules for primary producers of agricultural products

A company that is a primary producer of agricultural products must declare in writing that it has not received de minimis aid amounting to more than EUR 20,000 (about DKK 150,000) during the current and the previous two financial years.⁶ If the grant from the Innobooster programme will cause the company to exceed this limit, the company will not be entitled to receive a grant from the programme.

Specific rules for the fishery and aquaculture sector

⁵ EU Commission Regulation (EU) No. 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (the general de minimis regulation).

⁶ EU Commission Regulation (EU) No. 1408/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid in the agricultural sector (amended by Commission Regulation (EU) 2019/316 of 21 February 2019)

A company in the fishery and aquaculture sector must declare in writing that it has not received de minimis aid amounting to more than EUR 30,000 (about DKK 225,000) during the current and the previous two financial years.⁷ If the grant from the Innobooster programme will cause the company to exceed this limit, the company will not be entitled to receive a grant from the programme. The entire value chain in the fishery and aquaculture sector is covered by these guidelines – i.e. from the individual fisherman until the products are ready for sale to the consumers. This also includes companies within cultivation and processing of seaweed and other micro and macro algae products.

6.2 For investments above DKK 1,500,000 – the EU block exemption regulation

Investments above DKK 1,500,000 are allocated according to the EU block exemption regulation. In this connection, it is a requirement that the projects in which Innovation Fund Denmark invests qualify as either ‘experimental development’ or as ‘industrial research’.

The limits for industrial research and experimental development are explained in more detail in the following excerpts from the EU block exemption regulation:

Experimental development

Acquisition, combination, design and application of existing scientific, technological, business and other relevant knowledge and skills aimed at developing new or improved products, processes or services. This may e.g. include activities aimed at conceptualising, planning and producing documentation on new products, processes or services.

Experimental development may include the production of prototypes, demonstrations, production of pilots, testing and validation of new or improved products, processes or services in contexts that are representative of the actual operating conditions, with the primary purpose of technically further developing products, processes or services that have not yet reached their final form. This may include the development of a commercially viable prototype or pilot when this must necessarily be the final commercial product, and if it is too costly to produce for demonstration and validation purposes only. Experimental development does not include routine or regular changes to existing products, production lines, production methods, services and other ongoing transactions, even though such changes may represent improvements.

Industrial research

Industrial research is planned research or critical studies aimed at acquiring new knowledge and new skills with a view to developing new products, production methods or services or developing new production methods or services for the purpose of significantly improving existing products. This includes the production of components for complex systems and may include the development of prototypes in a laboratory environment or in an environment with simulated user interfaces for existing systems as well as pilot lines where this is necessary for the industrial research and, in particular, for validation of generic technology.

⁷ EU Commission Regulation (EU) No. 707/2014 of 27 July 2014 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid in the fishery and aquaculture sector.

Innovation Fund Denmark investments above DKK 1,500,000 are granted under the general block exemption regulation (the Commission's Regulation [EU] No. 651/2014 of 17 June 2014 on certain categories of aid and their compatibility with the internal market under the Treaty's articles 107 and 108, chapter 1 [articles 1-12] and chapter 3 [articles 25 and 30]). The aid to the companies must contribute to initiating further research and development activities (incentive effect), e.g. through increased total expenses for research in the company or recruitment of more employees engaged in research activities in the company.

These guidelines have been established in accordance with section 18 (2), item 1 in Act No. 306 of 29 March 2014 on Innovation Fund Denmark and Executive Order No. 1150 of 25 October 2017 on the grant function, etc. under Innovation Fund Denmark.

7 Processing of information

Recording of data

The application system, E-grant, automatically records specific information. When you register as a user, E-grant will register your identity, IP address and the time at which the application is created or edited.

Applicant's responsibility

It is the applicant's responsibility that the information provided in the electronic application is correct, that the necessary appendices have been attached to the application and that the content of the appendices is correct.

The applicant is under obligation to inform Innovation Fund Denmark of any significant changes to the submitted information, including if the company has received funding for the project or parts hereof from other parties.

Retraction of application information

Once the application has been submitted, you cannot rectify the content of the application. Only personal data can be rectified.

Collection of other information

If the applicant has applied for or plans to apply for project funding from other parties, Innovation Fund Denmark reserves the right to collect information about whether this funding has been granted.

8 Publication of information

Applicants should be aware not to include business-sensitive information in the title of the application, as Innovation Fund Denmark may publish or pass on lists containing the name of the company, the title of the project and the investment applied for in submitted applications.

Applicants should also be aware that other parties may request subject access to any submitted Innobooster applications in accordance with the Danish Open Administration Act. In such events, Innovation Fund Denmark, in dialogue with the applicant, will ensure not to disclose any business-sensitive information or other information which, in accordance with the law, cannot be disclosed.

Innovation Fund Denmark will publish a list of applications receiving an investment, possibly including the short summary from the application material.

9 About these guidelines

Legal framework

These guidelines have been established in accordance with section 18 (2), item 1 in Act No. 306 of 29 March 2014 on Innovation Fund Denmark amended by law no. 384 of 26. April 2017, Law 1518 of 18. December 2018 and Law 1188 of 8. June 2021 and Executive Order No. 1150 of 25 October 2017 on the grant function, etc. under Innovation Fund Denmark.

Technical disclaimer

The Danish Agency for Higher Education and Science is responsible for E-grant and has a duty to notify system users of errors causing E-grant to be inaccessible to the point where it affects the applicant's access to submit an application by a given deadline. Updates on any system disruptions will be posted here: <http://ufm.dk/en/research-and-innovation/funding-programmes-for-research-and-innovation/egrant/operational-status>.

In extremely exceptional cases, Innovation Fund Denmark may extend the application deadline for all affected applicants. This will likewise be announced at: <http://ufm.dk/en/research-and-innovation/funding-programmes-for-researchand-innovation/e-grant/operational-status> and at: <https://innovationsfonden.dk/en/apply-investment>.

Innovation Fund Denmark and the Danish Agency for Higher Education and Science disclaim all and any liability for erroneous information ensuing from faults in software, computation errors, transmission faults and similar faults, and in respect of any claim for damages ensuing from incorrect use of E-grant.