Guidelines:

Innobooster

under the Block Exemption Regulations

- Applications between DKK 1.5 million and 5.0 million

Effective date:

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Definitions

**Applicant company:** The legal entity that submits the application for the Innobooster project, is responsible for the implementation and owns the project outcome. This does not include parent companies, subsidiaries or sister companies and their respective employees.

**Project:** The word ‘project’ denotes an activity with a limited timeframe and fixed set of subtasks and resources. A project must be distinguishable from the day-to-day operations of the company.

**Solution:** In Innobooster, a ‘solution’ is the outcome of the innovative project either as a new product or new service which has economic and societal potential, or as a significant improvement of an existing process in the company that will strengthen your competitive position notably.

**Owner:** Person involved in the Innobooster project that has at least 5% ownership of the company’s share capital or other ownership interests at the time of application. The ownership can be direct within the applicant company, or indirect through e.g. a holding company. In an owner-operated company, you are regarded as owner if you are listed as the responsible person in the company at the time of application.

**Employee:** An ‘employee’ is a person employed by the applicant company who has entered into a contract of employment with the applicant company (terms of employment). The employee may be employed part-time or full-time. The employee must be included in the company’s supplementary labour market pension (ATP) contributions.

**Freelancer:** A person working for a company who is not formally or factually employed as a salaried employee with a contract of employment, but is instead paid according to invoice/worked hours. This also applies in case the person sustains a long-term collaboration with the company. In a Innobooster project, a freelancer should be included as ‘knowledge provider’.

In case of any uncertainties or differences between the English and the Danish versions of these guidelines, the Danish version takes precedence over the English version.
1 The programme

Innobooster under the Block Exemption Regulations – in short

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

1.1 An Innobooster project should, in an innovative way, help a new product or a new service (the project’s ‘solution’) develop and reach market maturity. The solution could also be to achieve a significant improvement of existing processes in your company that will strengthen its competitiveness. Regardless of the kind of solution, you should be able to convincingly show an economic impact from the project. Also, the solution must help solve societal challenges within one of the three themes described in section 1.3.

For the solution to develop, your company may need supplementary expert knowledge through collaboration with a knowledge institution and/or a private knowledge enterprise. You may also need to hire new employees with specific skills or assign existing employees to the Innobooster project for a period of time.

Co-funding from Innobooster should help reduce any extraordinary risk for the company in starting an innovation project with significant novelty and complex development activities.

These guidelines apply for applicants applying for Innobooster funds between DKK 1.5 million and 5 million. The investment is granted under EU Block Exemption Regulations, and it is therefore a requirement that the project qualifies as either “experimental development” or “industrial research”. If you apply for less than DKK 1.5 million in funding from Innovation Fund Denmark for your Innobooster project, the guidelines for “Innobooster – under the de minimis Regulation” apply.

1.2 Who can apply?

In order to apply for an Innobooster investment, the applicant company must have a Danish company registration number (CVR number) at the time of your application. Your company may be a public-limited or limited liability company or an owner-operated business. The applicant company will be the legal entity applying for funding and carrying sole responsibility for the project and any underlying financial obligations concerning financing, reporting etc.

It is a condition for applying to the Innobooster programme that the applicant company falls 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 the applicant company is part of a company group/affiliated to a larger company, the SME requirements apply for the entire group of companies and not just the company applying for Innobooster funding. Companies classified as ‘linked enterprise’ or ‘partner enterprises’ to the company, as defined in the annex to the “Commission Recommendation concerning the definition of SME (2003/361/EC)”, should be included in this definition. In the case that you receive a grant and your company subsequently during the project period is acquired by and become part of a company group that fails to meet the SME conditions,

¹ A company is part of a company group when a company owns more than 25% of the capital or voting rights of another company. Read more about concerns and the EU’s SME definition (https://ec.europa.eu/docsroom/documents/42921).
the grant will be terminated on the date of takeover, and the remaining part of the grant will be revoked by Innovation Fund Denmark.

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

- The company must have attracted a documented contribution of external risk capital of no less than DKK 100,000 within the past three years counted from the time of application. Documentation of this contribution of external risk capital must be presented on request and/or in connection with auditing visits. At the time of application, the applicant must sign a solemn declaration stating that the funds have been held in the company accounts within the past three years and meet the below definition.
- The company must have secured a documented gross profit of no less than DKK 250,000 in the published annual accounts of at least one of the past three years. The accounts should be available on www.cvr.dk.

The definition of external risk capital is:

- Cash contribution or convertible unsecured loan provided to the company within the past three years by another legal entity (with either a CVR or a CPR number).
- Contribution provided by other public or private programmes within the past three years counted from the time of application; the funds should be invested in specific development activities in the company. Funding from the Innofounder programme for the applicant company or funding from the Innoexplorer programme for development of the basic idea behind the Innobooster application are considered external risk capital. This also applies for funding from e.g. GUDP, EUDP and MUDP or the Danish Foundation for Entrepreneurship.

Risk capital is not:

- Loans provided by banks, institutions providing loan capital as well as loans from owners with a primacy requirement as well as an agreed and initiated reimbursement or an associated security in the company or the company’s IPR.
- In kind hours or other forms of in kind contributions from owners or other types of non-monetary investments.

You will find a FAQ-guide on the Innovation Fund Denmark website with further examples of what may constitute 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% is owned by the state, regions or municipalities. ²
- Companies where operational subsidies from public institutions amount to more than half of the turnover.

² For more information, please see https://ec.europa.eu/docsroom/documents/42921
• Companies that are regarded ‘undertakings in difficulty’ as defined in Article 2 (1), No. 18 of the Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market pursuant to Articles 107 and 108 of the Treaty. This apply if the funding from Innobooster falls within the EU Block Exemption Regulations, see section 6.2 below. This condition does, however, not apply to companies that were not “undertakings in difficulty” as of 31 December 2019, but came into difficulties between 1 January 2020 and 31 December 2021.

• Companies that have not complied with possible repayment orders issued by the European Commission in one or more decisions where state aid granted by the Danish authorities has been found illegal and incompatible with the internal market. This apply if the funding from Innobooster falls within the EU Block Exemption Regulations, see section 6.2 below.

Innovation Fund Denmark does not grant exemptions from the above economic criteria.

Innovation Fund Denmark wishes to promote diversity in all its aspects. We therefore encourage 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.

What can you apply for from Innobooster?

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

The aim of an Innobooster-project should be the development of an innovative solution with a potential for translating into a business activity contributing to the company’s development and eventually creating value for the Danish society. The innovative aspect may also be to combine new knowledge with new or existing solutions in ways that create new solutions.

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

• Actual labour costs calculated from hours worked by new or existing employees employed directly by the company and engaged in specific activities in the Innobooster project. Working hours for both the company’s employees and owners may be included.

• Expenses for public and private knowledge providers, both Danish and foreign (e.g. universities, GTS institutes, contract research institutes, private knowledge companies and specialist companies).

All expenses should relate to the well-defined Innobooster project that you describe in the application that should clearly state how significant development is still needed for the solution to be fully developed and ready for market implementation. Expenses and costs that are not specifically justified in the application, cannot be included in the Innobooster budget or the financial accounts.

Innobooster does not fund projects with a fully developed solution ready for market implementation, with the remaining activities dealing mainly with sales, marketing, testing, documentation and commercial production. If the solution is already available on the market, and the project deals mainly with optimisation, further development, verification and documentation, the project is probably too far in its development to receive Innobooster funding.

Your project falls within the three themes supported by Innobooster
Innobooster may invest in innovation projects that fall within one of the three themes given below as defined in accordance with the ‘Agreement on the distribution of the 2024 research reserve’, as of November 2, 2023. The three themes are described by Innovation Fund Denmark below.

**Green technology and innovation**

Innovation from small and medium-sized enterprises and startups may and should contribute to solving the large and difficult challenges that are crucial to achieving the government’s green goals. This will also mean new businesses opportunities for projects within the green transition.

Innovation Fund Denmark invests in knowledge-based innovation projects that may develop the green technologies and solutions needed to transform Denmark towards a sustainable future where we reduce greenhouse gas emissions, protect our environment and nature while increasing growth and employment in Denmark.

The investments relate to the government’s green research strategy from 2020 and are, among other things, aimed at strengthening innovation in the Danish business community, including in start-ups and small and medium-sized enterprises.

**The theme relates to green projects within e.g.:**

- Energy production and efficiency, including smart integrated energy systems, the potential of sector coupling across the entire energy and supply field, digital solutions and intelligent utilisation of new technologies, P-to-X, carbon capture etc.
- Digitisation and data utilisation driving the green transition. It may, among other things, concern digital monitoring and management of climate, environment and nature relevant conditions, e.g. use of big data, artificial intelligence, Internet of Things, cyber and information security as well as drones and digital infrastructure in the form of satellites etc.
- Climate-friendly agriculture and food production, including e.g. biobased ingredients, feed, industrial enzymes, chemicals and other output products, fermentation technology, bioenergy, biobased environmental technology, plant and seed breeding as well as emission free food production, sustainable plant-based food products etc.
- Transport
- Environment and circular economy
- Nature and biodiversity
- Sustainable and circular construction technology that will take the construction industry from linear processes to circular resource efficiency throughout the value chain and all phases of construction.
- Sustainable behaviour and societal consequences of climate change, including understanding and behaviour in relation to climate challenges and the green transition, as well as tools that may support the above.

Key to the projects that may receive funding, is that they contribute to the green transition and that the expectations of these contributions can be made explicit in the applications.

**Life science, health and welfare technology**
The theme should support strategic and challenge-driven technology development and innovation within life science, health and welfare technology.

The funding may help translate Denmark’s strong knowledge and research position within the field into inventions, products, technologies and the development of patient treatments that will benefit Danish citizens, the health care system, business results and Danish export.

The innovation may contribute to the development of e.g.:

- New technological or digital tools for the health and welfare sector
- New medicines, medical equipment and treatment options, including personalised medicine
- Development of the field of digital health, including the field of health data through use of artificial intelligence in a health-related perspective
- Digital prevention and treatment options for people with physical and mental disorders
- Strengthen primary health care as well as the development, testing and implementation of welfare technology within, among others, eldercare and the social and health sectors
- Clinical outcome end economic impact of whole genome sequencing
- One Health-approach (transdisciplinary research in infection in both humans and animals (zoonotic diseases)) that also gives consideration to environmental and climatic perspectives having an impact on the spreading of those infections.

The funding should contribute to creating societal value and economic growth for private and public companies and/or users in society, not least in the life science sector.

**Digitisation, technology and innovation**

The theme supports innovation within digitisation and new technologies that may contribute to maintaining and developing production and jobs in Denmark.

The funding should strengthen innovation in a number of important fields, e.g.:

- Robot and drone technology
- Automated production technology
- Development and application of new materials and process technologies
- Development and application of particle physics in a commercial context
- Big data and artificial intelligence
- Cyber and information security
- Space-based technology and data
- Semiconductors, micro- and nanochips
- Technological solutions that support the digitisation of citizens' and consumers' opportunities

The effort may, e.g., support the development of digital solutions for the benefit of the green transition, health and welfare, as well as Denmark’s security. The innovation could also be about new knowledge on the impact of digitisation on e.g. humans and society.
From the above follows that Innobooster only invests in projects that fall within at least one of the three themes. When completing your application, you should therefore describe how the project’s solution contributes to the theme in question and which of the societal challenges mentioned your solution 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.

### Which expenses are covered by an Innobooster investment?

In “Innobooster – under the Block Exemption Regulations” we invest between DKK 1.5 million and 5 million in each project and co-finance a maximum of 35% of your relevant expenses for the project.

#### 1.4

All existing and new employees with working hours included in the budget, should be formally and factually employed and paid by the company (part or full time). This means that a contract of employment should be in place between the person and the applicant company (terms of employment), and the employee must be included in the company’s ATP contributions.

All the company’s expenses for employees working in the project are calculated based on the employee’s actual salary. Actual payroll costs incurred are calculated on the basis of the annual gross salary, including pension, holiday allowance and ATP. To calculate the hourly salary, an annual average of 1,628 hours must be used for a full-time employee. The calculated hourly salary for each employee may amount to a maximum of DKK 1,000. The calculation cannot include expenses related to overtime work, illness, leave, bonuses, value of stock options or the like. Hours worked by an owner in the project may only be included if he or she is paid an actual salary by the company, and the hourly salary is calculated on the basis of the same rules as employees.

- Only employee hours directly related to the approved development activities in the Innobooster project may be included in the budget.
- **A maximum of 135 working hours per person per month** can be registered in the Innobooster project.
- The budget and the financial accounts may not include expenses for which other forms of public subsidies are received, including wage subsidies.

Applicant should be aware of the fact that Innobooster is subject to EU state aid rules. Innobooster projects in which Innovation Fund Denmark invests more than DKK 1.5 million must thus qualify as ‘experimental development’ or ‘industrial research’, as these investments are regulated according to the EU block exemption regulation with regard to state aid. A detailed explanation of this can be found in section 6.

Also, expenses for granting of patents, including examination of novelty, use of a patent agent for the elaboration of patent applications, fees for filing a patent etc., will not be covered.

**Both new and existing employees** can be co-financed by Innobooster; you must, however, account for whether the employee(s) participating in the project is/are employed by the company at the time of application. An employee already employed at the time of application is categorised as an ‘existing employee’, whereas an employee employed after the time of application, e.g. in connection with approval of funding, is categorised as a ‘new employee’. Administratively, all employees will remain in their respective categories throughout the project period.
Persons affiliated to the company on a freelance basis are not considered company employees, but knowledge providers. When the service provided is settled between the applicant company and the involved freelancer(s) by an invoice, this service should be entered under the budget item “knowledge providers”. This also applies when the freelancer in question is affiliated to the company on a full-time basis and for a longer period of time.

**Expenses for collaboration with public and private knowledge providers** (e.g. universities, GTS institutes, contract research institutes, private knowledge companies, private specialist companies and freelancers) approved during the application process are co-financed on the basis of paid invoices and are included in the budget and the accounts exclusive of VAT.

If you use a knowledge provider that is part of a company group including your own company, or if there is any other kind of shared ownership interests with the knowledge provider, this must be made clear in the application. Furthermore, you must explain why you believe this affiliated knowledge provider is the best suited provider for the task involved and at which invoiced hourly rate the service will be paid.

**When purchasing new equipment**, only the depreciation costs may generally be included in the budget. As a rule, expenses for the acquisition of new equipment can only be included in the budget to the extent and for the time it is used for the project. If such equipment has a life cycle that extends beyond the Innobooster project and may be used in commercial activities afterwards, only the depreciation costs covering the duration of the project may be included. This should be calculated on the basis of generally accepted accounting policies. If the equipment is used both in the Innobooster project and for other purposes, only a relative proportion of the depreciation costs corresponding to the use of the equipment in the Innobooster project, may be included.

If the equipment, on the other hand, is used solely for experimental purposes as part of the company’s development projects and is dimensionally scaled as pilot plant equipment, laboratory scaled equipment, analysis equipment etc., Innovation Fund Denmark may accept that the total actual costs are included in the budget. This does, however, presuppose that the applicant company states why the purchase will have no commercial production value for the company after the project as well as have no considerable scrap value.

Depreciation costs on the company’s existing equipment are not accepted as part of the project budget.

Only providers of actual materials and equipment which have been approved as part of the application process, may be included in the project and thereby be co-financed. Documentation should be provided for these expenses via paid invoices, and the expenses are included in the budget and financial accounts exclusive of VAT. Expenses for equipment and materials below DKK 10,000 per invoice cannot be included in the Innobooster budget or the financial accounts. Innobooster does not finance invoices issued within the company, e.g. for the purchase of an applicant company’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 expenses for e.g. establishment, continuous operational optimisation, strategy development, sales and marketing initiatives, compilation of manuals, investment prospectus, educational materials, communication and content production, market or customer analyses, transport, energy and basic data hosting fall outside the scope of the Innobooster programme.
How much can you apply for?

You can apply for funding of up to 35% of your expenses for the actual Innobooster project. The funding framework for “Innobooster under the Block Exemption Regulations” allows for investments of a minimum of DKK 1.5 million and a maximum of DKK 5 million. Innovation Fund Denmark’s maximum co-financing rate (35%) applies to each budget item as well as to the total project budget. In your budget, please state the total investment percentage you wish to be covered by the Innobooster programme.

<table>
<thead>
<tr>
<th>Budget categories</th>
<th>Funding rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>New employees</td>
<td>Max 35% of actual payroll costs</td>
</tr>
<tr>
<td>Existing employees</td>
<td>Max 35% of actual payroll costs</td>
</tr>
<tr>
<td>Knowledge providers</td>
<td>Max 35% of paid invoice</td>
</tr>
<tr>
<td>Equipment and materials (min. DKK 10,000 per invoice)</td>
<td>Max 35% of paid invoice</td>
</tr>
</tbody>
</table>

* Please note that each invoice under the budget item “Equipment and materials” must be of at least DKK 10,000 excl. VAT to be included in the budget and accounts. This minimum requirement does not apply for invoices from knowledge providers.

How long can the project last?

An Innobooster project can last no more than 24 months, but may be of shorter duration. You must determine a project period that is realistic for your project. It is important that you set a clear start and end date. You should include sufficient time between the date of submitting your application and the expected project start date for us to be able to assess your application. If the assessment takes longer than you have estimated and the stated start date is therefore overrun, the start date will be set at the date of grant approval. If you subsequently need to push the project end date, because of e.g. a later start date, it can be changed by submitting a request for change – see section 5.3.

The Innovation Fund Denmark website will be kept updated on the currently expected assessment time for Innobooster applications.

2.1 Application

How do you apply?

You must complete and submit your application online via the electronic application system: www.e-grant.dk.

Before you can start an application, a person that is entitled to sign for and commit the company with regard to the given information as well as any financial and contractual obligations, should register as user in e-grant. To register as user in the e-grant system you need MitID or a user name and password. The person who starts the application will be registered as point of contact for and sender of the application.

Once the application is active, the point of contact may invite other e-grant users to write and edit the application.

The application is set up by logging into the system and go to ‘Search options’ where the list of available application calls will appear. Note the list is set in alphabetical order, and all calls from Innovation Fund Denmark start with “IF”.

*innovationsfonden*
The list of application calls will have two Innobooster distributions: “Innobooster under the Block Exemption Regulations” (described in the present guidelines) and “Innobooster under the de minimis regulation” (described in a corresponding set of guidelines). If you choose “Innobooster under the de minimis regulation” your application will be for an investment from Innovation Fund Denmark of between DKK 50,000 and 1.5 million. You should choose the distribution that matches the investment you want to apply for, not the total project costs. If you apply for the wrong distribution, Innovation Fund Denmark will reject your application administratively, and you will have to start again with a new application.

The application can be done in Danish or English. The application template for the digital application and the template “Activity plan” are, however, only available in Danish for this programme. The present guidelines exist in both a Danish and an English version.\(^3\)

For technical support in e-grant we refer to the e-grant support team on the Ministry of Higher Education and Science website.\(^4\)

**What should be included in the application?**

The main part of the application is completed directly in e-grant. The application consists of both an administrative part, where you need to provide various information and declarations, and a more technical part where you should answer questions about:

- The company
- The idea
- The Innobooster project
- The market
- The business-related gain
- Risk assessment
- The team
- Results/outcome from any previous investments from Innovation Fund Denmark (e.g. Innobooster, Missionbooster, Industrial Researcher, Eurostars, Grand Solutions and Innofounder).

Besides the information given directly in e-grant, you should upload a budget and an activity plan to be compiled in templates that are downloaded via the links that will appear in e-grant during the application process.

In the technical description, you will be able to add an illustration or a link to a short video/video pitch that elaborates on or supports the application (max. 2 minutes). Illustrations and videos should only be regarded as an opportunity for elaborating on or supporting the application. It should thus be possible to assess the project without them. The applicant should ensure that any added items are accessible without user setup, software installation etc.

You are not allowed to attach or link to any other documents, descriptions, statements of support or other kind of documentation of e.g. customer interest. Should you nevertheless choose to attach such documents, they will not be part of our assessment or be read by the assessors. We thus only process the information provided in the application. Should you choose to send supplementary information outside

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\(^3\) In case of any uncertainties or differences between the English and the Danish versions of these guidelines, the Danish version takes precedence over the English version.

the application system, e.g. by email, this information will not be included in our processing of your application either.

It is not possible to forward information or make a request for including 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 again 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 not be able to hold the former application’s ‘place in the queue’.

An application should not be submitted until the budget is ready and the tasks for possible knowledge providers/subcontractors have been specified.

You cannot receive supplementary funding or make changes to the budget once the application has been submitted.

New employees need not be identified by name at the time of application, but their profile and needed competences must be clearly described.

Supplementary information

2.3 Please note that failure to comply with the formal requirements in the application, including the rules on submission of additional information, compliance with the requirements concerning the scope of the application, application deadlines or the financial requirements for the applicant company, will result in an application being administratively rejected without any assessment of the professional/technical content of your application.

It is possible to be working in an ongoing Innobooster project when submitting a new Innobooster application. However, if there is a connection between the ongoing project and your new application, it should be clear from your application what the outcome of the first grant will be and how it contributes as a basis for the subsequent application.

3 Assessment

What is the assessment process?

The first step in the assessment process is to determine whether your application meets the formal requirements outlined in these guidelines and the Consolidation Act, section 5. If your application is rejected at this stage, you will receive an administrative refusal, and your application will not be given a professional assessment. If you are able to correct the listed shortcomings, it is possible to resubmit your application as a new application via e-grant without further delay.

If your application meets the formal requirements, it will proceed to actual assessment. Your application will be evaluated on the basis of the information you have submitted via e-grant provided it satisfies the Innobooster programme guidelines. In addition, the assessors will draw on their prior knowledge that has qualified them to be appointed as assessors, as well as knowledge from publicly available sources (e.g.

\[\text{Consolidation Act No. 1150 of 25 October 2017 on funding etc. under Innovation Fund Denmark.}\]
literature and article databases, patent databases and company registries) and Internet searches. An Innobooster application is always assessed by a minimum of two assessors.

If your application through the initial administrative and professional assessment is considered to be sufficiently qualified for funding, you will be invited to present your Innobooster project to our Panel Committee. Based on a professional assessment of the application and the pitch made by the applicants, the Panel Committee will forward their recommendation for refusal, approval or partial approval of the application to the Management Team of Innovation Fund Denmark. It will be the Management Team of Innovation Fund Denmark that makes the final decision.

A schematic illustration of the assessment process is given below:

3.2 Who evaluates your application?

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

All applications that meet the formal requirements will then be assessed by both a first and a second reader. The first reader will be an Innovation Fund Denmark staff member or a member of the Innobooster Professional Evaluation Committee that has the relevant professional competences. The second reader is an Innovation Fund Denmark employee with specialist knowledge of the Innobooster programme. Together the two assessors will draw up a recommendation for the Management Team of Innovation Fund Denmark.

All applicants that are given a positive assessment by both first and second reader, will be invited to pitch their project before selected members of the Innobooster Panel Committee. The Panel Committee’s members have expertise and extensive experience within the fields of, among others, innovation, entrepreneurship, business development and various specific technical subjects. For the meeting in which you will pitch your idea, a panel of about five members will be selected.

It will always be the Management Team of Innovation Fund Denmark that makes the final decision on whether an application is given approval, partial approval, refusal or administrative refusal. A partial approval is given when Innovation Fund Denmark has found that specific and identifiable parts of the application cannot be approved according to the Innobooster programme’s guidelines, while the remaining parts of the project applied for are assessed as qualifying for funding.
The board of Directors of Innovation Fund Denmark ensures that the guidelines and processes described here are adhered to.

Everyone participating in the assessment process is subject to confidentiality obligations and Innovation Fund Denmark’s enhanced requirements concerning legal capacity. The Innovation Fund Denmark rules regarding legal capacity are available on the Innovation Fund Denmark website.

How is your application assessed?

Your application and the innovation project described in it, will be assessed on the basis of the following three evaluation criteria. The criteria carry equal weight in the technical assessment, and eligible projects satisfy all three criteria.

3.3 The evaluation criteria are:

- Quality of the idea
- Impact
- Quality of execution

Within each of those three evaluation criteria Innovation Fund Denmark emphasises the following:

Quality of the idea

- It is clear what constitutes the basis for the idea and what are the new and innovative aspects that may lead to a marketable/implementable solution.
- The idea is sufficiently grounded, and any critical conditions for carrying out the project are sufficiently described to allow for an assessment of the idea and the project’s risk profile.
- It is clear which specific and difficult challenges are to be overcome in the Innobooster project before the solution is marketable.
- The project will provide the company with new knowledge to a satisfying extent, and it is clear what new knowledge is provided and who contributes this knowledge.
- It is sufficiently described and explained how the Innobooster project will involve innovative development activities in the company.
- It is clear which specific market- and knowledge-related risks are present in the Innobooster project and how these will be mitigated.
- The project results/outcome distinguish themselves sufficiently from the solutions already available in the market.
- The application clearly describes what final solution the project will deliver.

Impact

- It is sufficiently described and explained how the solution will meet a need, and possible users/paying customers and a Danish or international market of a relevant size have been identified.
- It is sufficiently described and explained how the company will gain a competitive advantage due to the project.
- The specific business model and any “go-to-market” considerations concerning further activities between the end of the project and the commercial implementation are sufficiently accounted for.
- The business gains from the project will result in significant economic growth, export and/or employment in Denmark, and it is sufficiently described and explained how the added value and expected gains will be implemented in the applicant company after the project has ended.
There is a sound correlation between the size of the investment from Innovation Fund Denmark vis-à-vis the risk taken on by the company and the business gains that the company expects to achieve from the project.

The project falls within the outlined thematic area and has the potential to contribute to achieving the goals described within this theme and any potential societal impact is sufficiently accounted for.

Quality of the execution

- There is a clear activity plan with distinct and quantifiable milestones and criteria for success.
- The project is realistic and realisable.
- The significant risks are properly defined, and relevant ways of mitigating these risks are described.
- The company has the necessary financial resources to carry out the project.
- The company has a team with relevant competences and experience to carry out and implement the project, and the choice of collaboration partners and/or new employees is relevant. The team as a whole should reflect the needed and relevant professional diversity.
- The project budget is reasonable and realistic vis-à-vis the outlined activities.
- The content and individual elements of the application are described in clear and specific terms.

You should carefully consider whether you have found the right balance between the size of the investment applied for and the expected impact of the project, including the business gains and the project’s development risks. There is a considerable difference between the requirements for a project with e.g. a DKK 1.5 million budget and one with a DKK 5 million budget.

We always evaluate the accumulated investment such that previous funding from Innovation Fund Denmark will influence our assessment of the project’s innovation height and value creation. This means that if your company has received an earlier investment of e.g. DKK 500,000 under the de minimis regulation and subsequently applies for another investment of e.g. DKK 2.1 million, it will be assessed as a total Innovation Fund Denmark investment of DKK 2.6 million.

It is important that a realistic budget is made, such that the number of hours and expenses correspond to the activities to be carried out in a way that ensures the project’s financial efficiency. In order that we may assess the project’s financial efficiency, all expenses for subcontractors as well as the number of working hours for all employees should be clear for each work package in the activity plan.

It is possible and may be a good idea to divide high-risk projects into smaller sub-projects in order to reduce the risk for both the company and Innovation Fund Denmark. In the case of an obvious connection between a first project (“phase 1”) and a subsequent application (“phase 2”), the phase 2-project does not need to show significantly higher risk or specific novel and independent innovation potential, but should still show a significant development risk in the remaining phases towards commercialisation. A phase 2-project may therefore give more weight to the final development, market maturation and verification of the overall idea and achieved results. It will be appropriate to apply for a phase 2-project once the results of the phase 1-project are known and may provide a solid basis for our assessment as they may be considered in connection with the new development activities described in the subsequent application. If you choose to divide your project into smaller sub-projects, it is important to ensure that each individual projects may separately achieve concrete and significant results that can be documented subsequently.
For larger projects implemented in more phases, there may be a need for increased external funding, and in our assessment, we will also lend weight to the company’s financial strength and possible required interest from external investors.

When a company has received a previous investment from Innovation Fund Denmark and submits an application for Innobooster funding, we will in our assessment of the application take into consideration the specific results gained in previous Innovation Fund Denmark projects, the impact of those results in the company, whether these results are included as the basis for the new application, and how their value is documented.

Innovation Fund Denmark knows from experience that projects with a broad professional and thematic basis have better chances of succeeding. It is therefore included as an evaluation criterion that you can show an appropriate professional diversity in the team to carry out the task of realising the project, its aim and later implementation. We do in other words consider whether, as applicant, you are able to describe how the company employees and the knowledge providers represent an adequate diversity with regard to e.g. technological knowledge, market knowledge, understanding of customer and user needs as well as management, in order to guarantee the project the best possible conditions for succeeding.

When can you apply for an Innobooster investment?

3.4 You can submit your application whenever it is convenient for the company’s plans for development. 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 that submission of Innobooster applications may be paused and that the programme is always closed for applications around New Year. Application pauses are announced on the Innovation Fund Denmark website at least two months before the pause. The application platform in e-grant will be closed during the pause, which means new applications cannot be started or submitted. We do, however, during this period continue to process applications already submitted.

The three themes in the Innobooster programme each have their own investment budgets. We may thus close for applications within one or more themes sometime during the year if we receive more applications than we expect to have available funds to invest in. We will at least four weeks in advance on the Innovation Fund Denmark website announce if a theme is about to have exhausted the available funds for that financial year, as well as the date for when we will no longer receive applications within that theme. The theme in question will most likely remain closed for the rest of the year and only reopen the following year. We process all already submitted applications.

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

How will you receive an answer to your application?

Your contact with Innovation Fund Denmark will mainly be through e-grant. This is where you will be notified of any news concerning our processing of your application and of when a decision has been made regarding your application. If your application is successful and you are granted funding, all correspondence will continue through e-grant.
When will you receive an answer to your application?

Innovation Fund Denmark aims to assess applications as fast as possible. However, the number of applications varies over the year, and we are therefore unable to give a set estimate for how long the assessment will take. The Innovation Fund Denmark website is continuously updated on the current expected processing time. If you are invited to present your application for the Panel Committee or are given clarifying questions, the total processing time may be longer than the stated expected time for assessment.

If your application is rejected, the reasons will be given in writing. You are subsequently welcome to reapply.

If you wish more thorough feedback, you should contact the member of staff indicated on the letter of refusal by e-mail within a month after receiving the answer giving your case number and ask for a feedback dialogue.

4 From approval to project start

What happens once your application has been approved?

4.1 You will receive a grant letter via e-grant. At the same time, you will be asked to electronically accept the grant requirements in e-grant within three months. Acceptance of the grant requirements is a precondition for the grant to be considered valid and for us to be able to approve your first accounts etc. If the grant is not accepted within the given deadline or after three reminders, Innovation Fund Denmark will withdraw its funding.

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

5 During the project

How do you submit your accounts and file reports during the project?

Accounts must be submitted every three months. This is done through e-grant where an overview of project tasks will appear in your case file from the beginning of the project. The first accounting task will open for filing of reports in e-grant exactly three months after the grant start date. After this, the accounting task will appear every three months until the end of the project. Accounts cannot be submitted at shorter intervals. You submit your accounts by downloading the Excel sheet in e-grant, completing and sending 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 for each project year in which the auditor certifies that the current submitted accounts are correct, and that the grant has been used in accordance with the aim and the requirements listed in the grant letter and in these guidelines. Projects lasting less than 15 months will, however, only need to submit one auditor’s statement at the end of the project period. The auditor’s statement is prepared according to the current audit instructions that will be available on the Innovations Fund Denmark website.
Also, all applicants who receive a grant from Innobooster will halfway through the approved project period be asked to submit a progress report in order that Innovation Fund Denmark may get a general idea of the project’s development. The progress report may be prepared as e.g. a PowerPoint presentation and should in a structured and concise way account for the status of the project, including which activities have been completed and which remain to be carried out. The progress report will appear as a task in e-grant and should be uploaded in e-grant as a pdf-file. The task will include a description of the requirements for the content and form of the presentation. You cannot make a request for changes to the project in the progress report. If you need to make specific changes to the project, you should send your wishes for changes as a request for changes through e-grant, cf. section 5.3.

If we find aspects in the progress report, the submitted accounts or the auditor’s statement that we feel should be clarified more in detail, we may ask for further information or invite you for a physical or virtual meeting. In exceptional cases, Innovation Fund Denmark could terminate the grant if the project deviates significantly from the initial plan and those changes have not been approved by us before they have been implemented.

**When will the investment be disbursed?**

5.2 Innovation Fund Denmark reserves the right to a 30 days’ processing time to check your accounts. If we approve the accounts, it may take 10 days from the time of approval before the funds are transferred to your company’s NemKonto. All Innobooster project funds are paid in arrears and on the basis of the actual expenditures documented in the submitted accounts.

It is not possible to receive a payment in advance.

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

We know that innovation projects will not always follow the original plan, and it is possible to ask to be allowed to make changes that you consider necessary for realising the potential of the project. You can make adjustments to the project during the project period by requesting changes in e.g. collaboration partners, end date or budget distributions. Requests for changes must, however, always be approved by Innovation Fund Denmark prior to their implementation, and such approval presupposes that the changes are deemed sufficiently substantiated. Requests for changes are submitted via the e-grant system through the ‘Request changes’ function on your project page.

You can apply for an extension of the project during the project period, but extensions beyond 24 months are rarely accepted. Requests for changes to the project end date can only be met if submitted no later than 14 days before the current end date. Requests for project extension 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-grant. In rare cases, projects turn out to no longer have the expected potential or they cannot be realised for technical reasons. In such cases we will enter into dialogue with you on how best to close the project. Other significant changes may be e.g. bankruptcy and suspension of payments or sale of the company.

If you do not comply with the tasks described in sections 5.1 and 5.3 and the given deadlines as well as the ensuing reminders, Innovation Fund Denmark may withdraw the remaining funding and demand already paid funding to be returned. This is also the case if there is no satisfying documentation available to
show that the funding from Innovation Fund Denmark is spent in accordance with the aim as described in the application and any approved changes and following the guidance as described in the grant letter.

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

At the end of the project, you must complete an evaluation of the process and produce a short final report. These tasks should be completed no later than one month after the end of the project period. Together with the final accounts and auditor’s statement these tasks constitute the end of the project.

5.4 Once the evaluation, final report, auditor’s statement and final accounts have been approved by Innovation Fund Denmark, the remaining 15% of your total grant will be disbursed if requested. We always retain 15% of your grant until this stage, regardless of your expenditure level up until the last accounting period. You thus still need to make a request for funding even if your consumption exceeds the 85%. This means that if your expenses reach 100% of your grant, this should be stated in your accounts, and at the latest in your final accounts, for you to receive the remaining 15% once Innovation Fund Denmark has approved the documents submitted.

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

6 **State aid rules for companies**

Innobooster investments above DKK 1.5 million are allocated according to the EU Block Exemption Regulations. In this connection it is a requirement that the projects in which Innovation Fund Denmark invests, qualify as either “experimental development” or “industrial research”.

The differences between industrial research and experimental development are explained in more detail in the following excerpts form the EU Block Exemption Regulations:

Innovation Fund Denmark investments above DKK 1.5 million 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 given 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.

7 Processing of information

**Industrial research**

Industrial research means the planned research or critical investigation aimed at the acquisition of new knowledge and skills for developing new products, processes or services or for bringing about a significant improvement in existing products, processes or services. It comprises the creation of components parts of complex systems, and may include the construction of prototypes in a laboratory environment or in an environment with simulated interfaces to existing systems as well as of pilot lines, when necessary for the industrial research and notably for generic technology validation.

**Experimental development**

Experimental development means acquiring, combining, shaping and using existing scientific, technological, business and other relevant knowledge and skills with the aim of developing new or improved products, processes or services. This may also include, for example, activities aiming at the conceptual definition, planning and documentation of new products, processes or services.

Experimental development may comprise prototyping, demonstrating, piloting, testing and validation of new or improved products, processes or services in environments representative of real life operating conditions where the primary objective is to make further technical improvements on products, processes or services that are not substantially set. This may include the development of a commercially usable prototype or pilot which is necessarily the final commercial product and which is too expensive to produce for it to be used only for demonstration and validation purposes. Experimental development does not include routine or periodic changes made to existing products, production lines, manufacturing processes, services and other operations in progress, even if those changes may represent improvements.

**Recording of data**

The application system e-grant will automatically record 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 immediately 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 apart from personal data.

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

Please note that the title of the application should not include business-sensitive information as Innovation Fund Denmark may, if requested (due to e.g. the Danish Open Administration Act) and without further notification to you as applicant, pass on lists containing information about company name, project title, investment applied for, final decisions (refusal/approval) as well as, in some cases, the actual investment for all submitted Innobooster applications.

Innovation Fund Denmark will always publish a list of applications that receive an investment on its website (including company name, CVR number, project title and investment granted).

Applications submitted to Innovation Fund Denmark are treated under confidentiality. You should, however, be aware that other parties may request access to any submitted Innobooster applications in accordance with the Danish Open Administration Act. In such events, Innovation Fund Denmark will in dialogue with you as applicant ensure that no access is given to business-sensitive information and/or other information that according to law should not be disclosed.

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, as well as Executive Order No. 1150 of 25 October 2017 on the grant function, etc. within Innovation Fund Denmark.

We inform applicants that Innovation Fund Denmark adhere to the guidelines for international research and innovation (URIS). For further information, see: Committee on guidelines for international research and innovation cooperation - Ministry of Higher Education and Science (ufm.dk).

The applicant guarantees that receipt and use of the [investment/grant] from Innovation Fund Denmark does not violate existing national or international sanctions, including sanctions on freezing funds or bans on direct or indirect control. The applicant should be aware that in connection with the conflict between
Russian and Ukraine, EU has considerably restricted the access to making funds and economic resources available for specific physical or legal individuals, entities or organisations according to EU Council Regulation No 269/2014 “concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine”, and the applicant shall guarantee that receipt and use of the grant from Innovation Fund Denmark does not violate this regulation. A consolidated list of person, groups and entities subject to EU sanctions is available on Consolidated list of persons, groups and entities subject to EU financial sanctions - Data Europa EU.

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 on the Danish Agency for Higher Education and Science website.6

In exceptional cases, Innovation Fund Denmark may extend the application deadline for all affected applicants. This will likewise be announced on the Danish Agency for Higher Education and Science website7 as well as on the Innovation Fund Denmark website.8

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, computational errors, transmission faults and similar faults, and in respect of any claim for damages ensuing from incorrect use of e-grant.

6 e-grant operational status — English (ufm.dk)
7 https://ufm.dk/forskning-og-innovation/tilskud-til-forskning-og-innovation/e-ansogningssystemer/driftsstatus/driftsstatus-pa-e-grant
8 Forside | Innovationsfonden