

**Guidelines:**

# Innofounder

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### Definition of 'project'

The word 'project' denotes an activity with a limited time frame and fixed set of resources. Mention of 'projects' in Innovation Fund Denmark's guidelines also covers e.g. Innofounder projects.

# 1 The programme

## 1.1 Innofounder – in short

Innovation Fund Denmark invests in the accelerated transition of research and knowledge into innovative solutions that have the potential to solve societal challenges and/or create growth and employment in Denmark. Innofounder is Innovation Fund Denmark's programme for knowledge-based early-stage entrepreneurship.

The objective of Innofounder is to strengthen knowledge-based entrepreneurship in Denmark by offering funding and sparring in the early, risky stages of a business project where paying customers and access to private investors are typically still lacking.

Innofounder intends to accelerate the transition of your innovative idea into a financially sustainable business – either through revenue or by raising additional public or private funding.

Innofounder invests in knowledge-based innovative ideas, which means that individuals admitted to the programme must have completed a higher education programme, and their idea must be based on knowledge from their education or relevant research or work experience.

The idea can fall within any field, but it must be innovative by combining knowledge with new or existing solutions to create solutions in the form of new behavior, new products, processes, services or technologies.

The company must be in its early stages, which means that it still needs to develop and commercialise the idea. Hence, an Innofounder project may e.g. involve test sales and dialogue with customers as input for the development process, but the primary focus should not be activities relating to sales, marketing or scaling of the company.

Innofounder is a 12-month course that includes:

- Monthly funding enabling founders to work full-time on their idea.
- A development grant to cover costs related to the development of the idea.
- A flexible sparring and learning accelerator that helps you mature your idea and develop your company. Among other things, this accelerator will include workshops and presentations by Danish and international experts, regular mentoring sessions with an experienced and diverse team of mentors, networking such as pitch events and peer groups as well as attractive offers of e.g. office spaces in stimulating start-up environments.

You can apply for either 1, 2 or 3 Innofounders.

Conditions	1 founder	2 founders	3 founders
Monthly funding (paid once every month for 12 months)	DKK 27,500	DKK 55,000	DKK 82,500
Development grant (80% paid at the beginning of the course)	DKK 100,000	DKK 100,000	DKK 100,000

## 1.2 Who can apply?

Innovation Fund Denmark wishes to promote diversity in all its aspects. We therefore encourage all those interested regardless of ethnicity, religion, gender, disabilities, neurodiversity, age or field etc. to apply.

You can apply for an Innofounder course if you meet the following requirements:

### 1.2.1 Requirements – company and rights

At the time of application, you are not obligated to have established a business based on the idea, but you must have a company with a Danish company registration number (CVR number) at the start of the Innofounder course.

- At the time of application, the company can be no more than three years old.<sup>1</sup>
- The company must be significantly different from existing or previous companies owned, run or funded by the applicant.
- The company must be based mainly on the innovative idea – and thus not receive significant or regular income from the sale of other products previously introduced into the market.
- The company must have the rights to commercially exploit the idea.

### 1.2.2 Requirements – full-time, significant ownership and physical attendance at the Innofounder accelerator

The Innofounder investment is awarded to the company, but follows individuals that must all be founders of the company.

Innovation Fund Denmark have the following demands for the individual founder:

- You must work full-time (no less than 37 hours a week) for the company during the Innofounder course. How you organise your work hours is your own responsibility.
- You cannot be enrolled in an extensive study programme or have other significant paid employment during the Innofounder course (no more than 10 hours a week, week by week).
- You must participate actively in the Innofounder accelerator and attend the sessions physically when required. Read more about the scope and compulsory requirements for the accelerator in section 1.2.3 and read more about the content of the course on [www.innovationsfonden.dk](http://www.innovationsfonden.dk).
- You must own a minimum of 12.5% of the company.

The company can include individuals who fail to meet these requirements or who do not wish to be admitted to the programme. It must be evident from the application who the applicants and other team members, respectively, are.

Innofounder funding follows specific individuals who have applied for and are admitted to the programme. It is therefore not possible to replace a founder after the application deadline. You may however, remove a founder, but a new founder cannot be added. If a founder is removed, their monthly funding will be discontinued, cf. section 1.4. Innovation

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<sup>1</sup> If the company is part of an ownership structure that gives an underlying company dominant influence over the company (e.g. by owning more than 50 per cent of the company), the underlying company can be no more than five years old at time of funding for the company to meet the EU rules for start-up aid (cf. section 6).

Fund Denmark will make an assessment of whether the remaining team can ensure the development of the idea, cf. section 1.4. If all founders are removed, the investment will be discontinued.

### **1.2.3 Innofounder accelerator and evaluation of progress**

The Innofounder accelerator runs for 12 months in parallel with the salary funding and aims at driving start-ups towards financial sustainability after 12 months.

The accelerator is more loosely structured than most other incubators and accelerator programmes. The programme includes compulsory elements and a series of non-compulsory elements of choice. Start-ups do not have to comply to predefined goals or follow a set course during the accelerator.

The compulsory elements that Innofounders should follow and for which physical attendance is required, are:

- Business mentor sessions approx. every other week during the last 10 months of the Innofounder course. (Workload approx. 20 sessions of 1.5 hours plus preparation.)
- Onboarding process in the beginning of the Innofounder course where the team will, among others, be matched with the right mentor. (Workload approx. two full working days over two months.)
- Answering questionnaires and the like from the operator-team. (Workload approx. one full working day over 12 months.)
- If start-ups have joined special programmes, such as “Pitch Track”, there will often be various degree of compulsory elements as part of those programmes of own choice.

Furthermore, you will be assessed three times during the Innofounder course as to how your idea develops with regard to the following five topics:

1. ‘People & team’
2. ‘Concept & communication’
3. ‘Product & services’
4. ‘Market & value proposition’
5. ‘Business model’

You will be assessed according to a score going from 1 to 5.

In month 3 of your Innofounder course, the first assessment takes place. The second assessment will take place in month 7 of your Innofounder course. If this score is unsatisfyingly low, as a rule below 3, and the operator also judges that the development potential is not satisfactory, the operator may advise Innovation Fund Denmark to end your Innofounder course before time. You will be heard before Innovation Fund Denmark reaches any decision on the matter.

After a hearing, Innovation Fund Denmark will make a final decision on whether to stop or continue your Innofounder course. Innovation Fund Denmark will give one month’s notice of a potential discontinuation of your Innofounder course.

Read more about the content of the Innofounder accelerator and its scope on [www.innovationsfonden.dk](http://www.innovationsfonden.dk).

## **1.2.4 Requirements – higher education**

Founders must at the start of the Innofounder course have completed a public higher education programme, a PhD programme or a private higher education programme that entitles the participants to a state education grant (SU). This means that you can apply for an Innofounder course while still students, but that you must complete your education before the start of the Innofounder course.

A higher education can be an academy, professional bachelor's, bachelor's, master's or PhD degree obtained at a university college, business academy, maritime study programme, artistic study programme, university or similar. As a rule of thumb, a higher education programme corresponds to a minimum of 120 ECTS credits which will typically correspond to two years full time study at one continuous course.

## **1.2.5 A company can only receive Innofounder funding once**

A company can only be admitted to the Innofounder programme once, but you can as individuals affiliated with a different company with a significantly different innovative idea participate more than once. Whether the entrepreneurial idea is significantly different is based on a concrete assessment of the individual case.

## **1.2.6 Foreign applicants from EU/EEA member countries and countries outside the EU/EEA**

If you are a foreign citizen who meets the requirements listed in sections 1.2.1 through 1.2.5, you can be admitted to the Innofounder programme insofar you have obtained the necessary and relevant permissions and records.

If you are a citizen of a country outside the EU/EEA, you must, in order to apply for Innofounder, either have a Start-up Denmark visa (<https://startupdenmark.info>) or a degree from a Danish educational institution or have been employed for a minimum of one year by a company/public institution in Denmark within the past three years. Documentation is included in the application as an appendix.

If you are a citizen of a country outside the EU/EEA, you must, if you are admitted to the programme, apply for a Start-up Denmark visa to be able to take up and pursue self-employed activities in Denmark. For more information, please see: <https://startupdenmark.info>.

If you are a citizen of an EU/EEA member country, you must, if you are admitted to the programme, provide proof of registration, which is available through the state administration. For more information, please see: [www.nyidanmark.dk](http://www.nyidanmark.dk).

It is your responsibility to obtain the relevant permissions and records from the right authorities.

## **1.3 What does Innofounder invest in?**

### **1.3.1 Innovative business idea**

You apply on the basis of your innovative business idea. The idea can be innovative because it combines knowledge with new or existing solutions leading to new behavior, new products, processes, services or technologies.

The idea may fall within any field, and solving societal challenges can be part of its main objective as long as the idea also has commercial potential.

### **1.3.2 The idea must require extensive development**

The idea should be beyond the idea stage, but still require extensive development and commercialization. This may e.g. entail that structured dialogue with a significant number of potential customers/users has taken place, that a prototype has been developed, and that a team has been established to work on the idea.

Innofounder is for business ideas, which still require extensive development before the product, service or technology is complete and the business model in place.

Innofounder does not invest in companies that are ready to go to market and primarily face challenges relating to sales, marketing or scaling.

If the product is already available in the market and the features which have not been completed yet can be described as optimization and further development, the idea is probably too advanced to participate in Innofounder.

### **1.3.3 Early stage – before revenue and capital**

Innofounder is for early-stage business ideas, which still have not generated a revenue or obtained major external funding.

Therefore, the company must not have achieved a significant revenue or regular sales based on the idea. Limited sales may have taken place, though, e.g. to test the product or qualify the price model.

Furthermore, you cannot have received major external funding of the business idea and forthcoming development. You may have been promised external funding to be paid out once you have reached an important milestone, but if you already have access to major funding that can be used to fund the forthcoming development and commercialization, the idea may be at a too advanced stage for Innofounder.

A concrete assessment is made in each individual. The assessment will, among other things, depend on the industry to which the idea belongs and its current development stage.

### **1.3.4 Thematisation for Innofounder innovative ideas**

In the government's research policy agreement 'Distribution of the research reserve I 2024' of 2th of November 2023, special resources have been allocated to allow Innovation Fund Denmark to support innovative startup ideas that fall within at least one of the following three themes. If your start-up idea does not fall within these three themes, it is still possible to apply for Innofounder funding that is not linked to one specific theme (the non-theme specific funds). In the application template you will be asked to briefly describe and explain how the innovative idea suits the chosen theme or the non-theme specific funds.

You can read more about the actual resource distribution on the Innovation Fund Denmark website under the specific calls and [application deadlines](#).

If an application is submitted under one of the three themes, but does not receive funding from the allocated thematic funds because the resources have been spent, your application will automatically be dealt with under the non-theme specific funds. If on the other hand an application is submitted under the non-theme specific funds, but is assessed to also suit funds within one of the three themes, Innovation Fund Denmark may choose to initially process the application under the relevant thematic fund, before it – if no grant is obtained here – is processed under the non-theme specific funds.

If Innovation Fund Denmark assesses an application to have been submitted under the wrong theme, the Fund may contact you in order to investigate whether this is the case. If this is the case, you can request via e-grant to have the application transferred to the correct theme.

### **Green technology and innovation**

Innovation from startups and small and medium-sized companies can and must contribute to solving the large and difficult challenges that are crucial to achieving the government's green objectives. At the same time, there will be many new business opportunities within the green transition.

Innovation Fund Denmark invests in knowledge-based innovative start-up ideas 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, and show our potential to create green 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 Danish industry - including small and medium sized enterprises.

The theme relates to green projects within, for example:

- Energy production and efficiency, including smart integrated energy systems, the potential of sector coupling within the overall energy and supply area, digital solutions and intelligent utilization of new technologies, P-to-X, Carbon capture etc.
- Digitization and data utilization, which drive the green transition. It can for example be digital monitoring and management of climate-, environment- and nature-relevant conditions, e.g. using big data, artificial intelligence, the internet of things, cyber and information security as well as drones and digital infrastructure in the form of satellites etc.
- Climate-friendly agricultural and food production, including for example bio-based ingredients, feed, industrial enzymes, chemicals and other output products, fermentation technology, bioenergy, bio-based environmental technology, breeding of plants and seeds as well as emission-free food production, sustainable plant-based foods, etc.
- Transportation
- Environment and circular economy
- Nature and biodiversity
- Sustainable and circular construction to transform the industry from linear processes to circular resource efficiency throughout the value chain and in all phases of construction
- Sustainable behavior and societal consequences of climate change, including understanding and behavior in relation to climate challenges and the green transition, as well as tools that can support the above.

Key to the innovative ideas that may be funded, 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 funding may support strategic and challenge-driven technology development and innovation within Life science, health and welfare technology.

The funding may help to 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 innovative idea can contribute to the development of e.g.:

- New technological or digital aids for the health and welfare sector
- New medicine, medical equipment and treatment options, including personal medicine
- Development of the digital health area, including the health data area using artificial intelligence in a health perspective
- Digital prevention and treatment services for people with physical and mental disorders
- Strengthen local health as well as development, testing and application of welfare technology within e.g. the elderly and the social and health sector.
- Clinical outcome and financial impact of whole genome sequencing
- One Health approach (interdisciplinary research into infections in both humans and animals (zoonotic diseases)), which also includes environmental and climate perspectives with significance for the spread of these infections.

The funding may contribute to create societal value for citizens and patients and economic growth for private and public companies and/or customers in the society, not least in the life science sector.

### **Digitalisation, technology and innovation**

The theme supports innovative ideas within digitization and new technologies, which can contribute to maintaining and developing production and workplaces in Denmark.

The funds may strengthen innovation in a number of important areas, including e.g.:

- Robot and drone technology
- Automated production technology
- Development and use of new materials and process technologies
- Development and use of particle research in a commercial context
- Big data and artificial intelligence
- Cyber and information security
- Space-based technology and data
- Semiconductors, micro- and nano chips
- Technological solutions that support digitization of citizens' and consumers' options

The effort can, among other things, support the development of digital solutions for the benefit of the green transition, health and welfare as well as Denmark's security. The innovation can also create new knowledge about the importance of digitization for people and society, etc.

### Non-theme specific funds

These funds are as a rule aimed at innovative start-up ideas that do not fall within the three themes above. These innovative ideas could, among other, fall within the field of humanities or social sciences. Grants awarded within the non-theme specific funds should meet exactly the same requirements that apply to the projects applying within the themes.

## 1.4 How much funding can you apply for?

You can apply for either 1, 2 or 3 Innofunders. The investment is divided between monthly funding which is paid out once every month for 12 months and a development grant of which 80% are paid out at the start of the Innofunder course and the remaining 20% once the final accounts have been approved.

Conditions	1 founder	2 founders	3 founders
Monthly funding (paid once every month for 12 months)	DKK 27,500	DKK 55,000	DKK 82,500
Development grant (80% paid at the beginning of the course)	DKK 100,000	DKK 100,000	DKK 100,000

### 1.4.1 Should you apply for 1, 2 or 3 founders?

When you apply for admission to the Innofunder programme it is important that you consider whether the team that is applying has the right resources for moving the idea closer to the market or the next funding opportunity.

It is therefore sensible to consider the following:

- What do you need to reach a point where the company will be financially sustainable once the Innofunder course ends?
- Will the investment applied for finance the persons that are key to the development of the idea?
- Do you have 1, 2 or 3 persons in the team that comply with the requirements in section 1.2, and have you applied for funds for those necessary to fulfil the above issues?

## 1.5 What can the investment be used for?

The monthly funding should make it possible for the founders to work full-time on the idea throughout the course. It is up to the company, though, to decide how much of the funding is used for salaries and how much is used to pay for other company activities.

The Innofunder course covers your full-time work as founders, and you therefore cannot participate in other publicly funded projects during the course, e.g. an Innobooster project.

The development grant may cover expenses for services and materials needed to support the development of the business idea, e.g.:

- Rental of equipment
- Specialised software/hardware for tasks requiring specialised equipment
- External consulting

- Development and test of prototype
- Purchase of software
- Market maturation and product validation
- Travel expenses in connection with e.g. meetings with customers and conferences<sup>2</sup>

As a rule, the development grant cannot cover operational expenses such as:

- Regular office supplies (pens, postage, printer paper etc.)
- IT hardware for regular office work, phones etc.
- Catering or company lunch programmes
- The company's salary for the founders.

In connection with the end or early termination of the Innofounder course, it will be determined by Innovation Fund Denmark whether expenses covered by the development grant are relevant in terms of supporting the development of the business idea and, in particular, whether the founders have been economical towards the end of the course.

## 1.6 How long can the project last?

The course lasts 12 months and has a start date and an end date. See possible start-up dates on the website under the heading "From approval to project start-up" and the section "When can the project start?".

## 2 Application process

### 2.1 How do you apply?

Application deadline will always be on a weekday at 12 noon. We encourage applicants to start preparing their application well in advance, as you cannot rectify or add information in the application or appendices after the application deadline.

You must complete and submit your application online via the electronic application system: [www.e-grant.dk](http://www.e-grant.dk). Before you can create an application, one of the company founders must register as a system user with a user name and password or using MitID.

Once you have logged into the system, find the correct programme under 'Search options' and press 'Apply for investment'. 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 will find a [guide to e-grant on the Ministry of Higher Education and Science's website](#).

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<sup>2</sup> All travel must as far as possible be done by public transportation or otherwise at the lowest possible expense according to the Government's regulations for travel expenses. For more information, please see: <https://cir-kulaere.medst.dk/media/1244/054-21.pdf>

In case of technical difficulties with e-grant, you should contact [e-grant technical support](#) and not Innovation Fund Denmark.

## 2.2 What should your application contain?

### 2.2.1 Project description

When you fill out the application form in e-grant<sup>3</sup>, you will be asked to consider the following questions which relate to the Innofounder assessment criteria (cf. section 3.3). You should also briefly describe and explain how the innovative idea suits the chosen theme or the non-theme specific funds.

#### Quality of the idea

Please describe your business idea. What problem, need or desire does your business idea try to meet? What is your solution? How and why does it work? (1000 characters)

Please describe how your idea is innovative. What is new about your solution? How is it based on relevant knowledge from your education, research and/or work experience? (1000 characters)

Please describe how your business idea differs from competing solutions, products or services. Who are your competitors, and how do you differ from them? How does this difference create value for your customers compared to competing solutions? How does the competition affect your chances of successfully marketing and selling your solution? How do you intend to protect your solution from being copied? (1400 characters)

#### Impact

Please render probable that there is a need, users and probably also paying customers and a market of a considerable size – including an international one, if possible. Who are the customers/users, and how do they like your idea? Have you sought to identify users and a market for your idea? What is the size and potential of this market? (1200 characters)

Please render probable that you can establish a financially sustainable business based on the idea, and that an Innofounder course will increase your chances of doing so. Please describe specifically how you plan to make money on the idea and to establish a financially sustainable business that can ensure dissemination of your solution. Please describe the expected business model, cost structure and pricing. How do you expect to disseminate the solution in the market? (1200 characters)

Please render probable that your business idea has the potential to create value for Denmark through financial growth and/or by solving significant societal challenges. What value does the solution create for society, e.g. by solving societal challenges, creating growth and employment etc.? Please describe the quantitative and/or qualitative goals of the value creation process and be as specific as possible. (1200 characters)

#### Quality of execution

Please describe and render probable that your team has the abilities to realise the idea. How does the diversity of the team help you realise the idea? What abilities do you have to promote and support the idea? What insight does the

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<sup>3</sup> For each question in the application, there is a limited number of characters available. This number is evident from the application form in e-grant.

team lack to solve future tasks, and how do you plan to address this? Please state to which extent team members who do not apply for admission will be affiliated with activities relating to the business idea during the Innofounder course (e.g. state the number of hours per week). (1200 characters)

Please render probable that your business idea is realistic and can be implemented in practice. Please describe the status and remaining development. How far have you come in realising the idea? Which development tasks must be solved during the Innofounder course? Please describe all remaining development tasks and be as specific as possible. Which technical, regulatory and other tasks have you identified, and how do you expect to address them? (1200 characters)

Please render probable that an Innofounder course can help you propel your business idea to a stage where it is financially sustainable. Where are you when the course ends? How do you plan to fund the next step? (1000 characters)

Fill in the milestone template for the length of the Innofounder course. (Contains “Activity”, “Who does it”, “Period” and “Result/milestone”)

## 2.2.2 Appendices

You must attach the following appendices to your application:

- Degree certificate (for graduates) or documentation of expected date of graduation (for students). As far as possible, it must be clearly stated that the education meets the education requirement (as a rule of thumb, a minimum of 120 ECTS points).
- CV clearly outlining the scope and nature of work experience (no more than two pages per applicant).

The assessment will focus on the idea as described in the application form. However, you are welcome to attach up to 5 pages of further information, e.g. an illustration of the idea, a graphic presentation of the competitive landscape, letters of intent or similar and up to 5 pages of Letters of Intent. Avoid repeating content already provided in the application. Appendices beyond the above 10 pages limit (aside from the mandatory appendices) will not form part of the assessment.

The appendices must be in PDF format and total no more than 25 MB.

## 2.2.3 Rejection of application

Failure to comply with the form requirements in the application material or the application deadlines of the programme may result in the application being rejected without assessment. Applications submitted via other channels than e-grant will not be assessed.

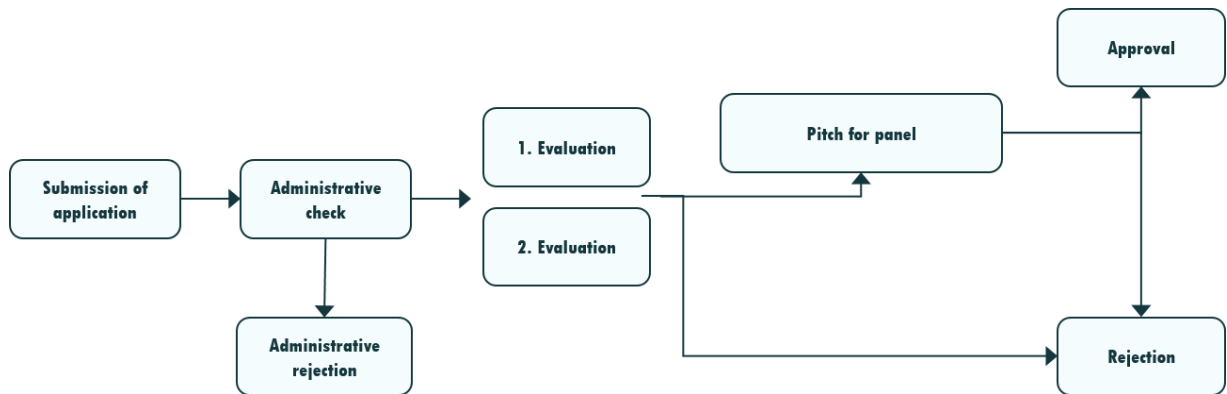
It is your responsibility as applicants to ensure that the application is completed correctly and that the required appendices are attached to the application in the correct file format.

## 2.2.4 Supplementary information

Innovation Fund Denmark only considers information provided in the application. Supplementary information submitted via other channels than the electronic application system, e.g. via email, will thus not be considered in the assessment of the application. It is not possible to add or rectify information or send additional appendices after the application deadline.

## 3 Assessment

### 3.1 What is the assessment process like?



Initially, Innovation Fund Denmark will determine whether applications submitted comply with the formal requirements as described in sections 1.2 and 2.2.2.

Applications that comply with the formal requirements then undergo a professional assessment based on the assessment criteria listed in section 3.3 and on whether the application falls within the scope of the programme's investment framework, cf. section 1.3.

The applications which appear to fall within the framework of the programme and which constitute the best applications submitted based on the assessment criteria gets invited to pitch their business idea to the Innofounder Panel Committee. Other applications will receive a rejection.

At the pitch, the applicants must give a short presentation of their business idea and the team/company behind the idea. The presentation can be in Danish or English. The pitch is followed by a short Q&A session, where the Innofounder Panel Committee will ask questions to determine to which extent the application complies with the assessment criteria.

Dates for pitch are set on an ongoing basis and announced as early as possible on [www.innovationsfonden.dk](http://www.innovationsfonden.dk).

### 3.2 Who will assess the application?

Innovation Fund Denmark employees will perform the initial assessment to determine whether the application complies with the formal requirements.

The subsequent expert assessment is conducted by a minimum of two individuals – a first reader and a second reader. The first reader has general insight into the area in question and may either be a Fund employee or a member of the Innofounder Assessment Committee. An overview of the Innofounder Assessment Committee is available at [www.innovationsfonden.dk](http://www.innovationsfonden.dk). The second reader is employed in the Funds secretariat with extensive knowledge of the Innofounder programme. The first and second readers submit their recommendation to the management of the secretariat describing whether the application should be rejected or the applicants be invited to pitch their idea to the Innofounder Panel Committee. The secretariat management will make the final decision.

The applications invited to a pitch are assessed by the Innofounder Panel Committee. On the day of the pitch, a panel will be established comprising a chairperson or a vice chairperson of the panel committee, and two to four panel committee members. Employees from the Funds secretariat will also attend in the role as an observer, who can ask questions and participate in the debate, and as a referent. The Innofounder Panel Committee is comprised of individuals with extensive experience in e.g. innovation, entrepreneurship, business development and various industries. An overview of the Innofounder Panel Committee is available at [www.innovationsfonden.dk](http://www.innovationsfonden.dk). The final decision is made by the secretariat management based on the panel committee's recommendation.

Everyone participating in the assessment is subject to confidentiality and legal capacity requirements. An overview of the Fund's rules regarding legal capacity is available at [www.innovationsfonden.dk](http://www.innovationsfonden.dk).

### **3.3 How is the application assessed?**

The application must be based on your innovative business idea. If you meet the requirements for admission as described in section 1.2, then your application will be assessed according to the following three assessment criteria:

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

An overall assessment will be made according to the three assessment criteria, where equal importance is attached to each criterion.

Under each criterion, emphasis is on the following:

#### **Quality of the idea**

- The business idea should be clearly described.
- The business idea should be based on relevant education, research or work experience.
- It should be clear what makes the business idea innovative and how it combines knowledge with new or existing solutions to create new solutions in the form of new behaviour and/or new products, processes or services.
- It should be clear how the business idea and its implementation differ from competing solutions, products or services.

#### **Impact**

- It is plausible that there is a need, users, paying customers and a market of a considerable size – including an international one, if possible.
- It is plausible that a financially sustainable business can be established, and that in Innofounder course will significantly increase the chances of establishing a financially sustainable business based on the idea.
- The business idea should have the potential to create value for Denmark through economic growth and/or by solving significant societal challenges.
- That the business idea falls within the listed theme and has the potential to contribute to the set aims of this theme. Any potential impact on society should be sufficiently described and explained. In case an application is submitted under the non-theme specific funds, special consideration is given to your arguments for why the innovative idea does not fall within one of the three themes.

#### **Quality of execution**

- The team should have relevant and diverse experience and abilities for realising the business idea. Furthermore, there should be a realistic plan for how the team intends to address a potential lack of abilities.
- The business idea must be realistic and possible to implement in practice (technically and in terms of regulation).
- It is plausible that an Innofounder course can propel the idea to a stage where it is financially sustainable either from having obtained further external funding (public or private) or achieved a significant revenue to fund any further development.
- The total investment made by the Fund must match the need, potential and risk profile of the development of the idea.

The assessment will be based on the material you have submitted via e-grant and which complies with the formal requirements given in 2.2.2 and 2.2.3. In addition, the assessors will draw on the prior knowledge that caused them to be appointed assessors.

### 3.4 How will you be notified of the decision?

The decision will be announced in e-grant.dk. You will be notified via email when the decision is available in e-grant.dk.

### 3.5 When will you be notified of the decision?

Expected time of notification from application deadline for an application rejection or pitch invitation within 8 weeks.

Expected time of notification after having received a pitch invitation: 5-7 weeks.

The total evaluation from application deadline until you receive a final decision on your application may thus be up to 14 weeks.

## 4 From approval to project start

### 4.1 What happens after your application is approved?

You will receive an acceptance letter in e-grant. This must be signed within the deadline. See the specific deadlines in the acceptance letter. If the letter is not signed and the grant accepted within the deadline, the funding will, as a rule, be annulled.

There will be a series of tasks attached to the grant that you will have to meet before you can start your Innofounder course and receive your first payment. These include:

Task	Description	How
Accept of grant	Partly or fully accept the grant.  Indicate the CVR number to which the grant should be paid.	Task in e-grant. Fill out form.



	<p>Indicate preferred month for start-up.</p> <p>Sign acceptance letter.</p>	
Documentation for company ownership	<p>Submit documentation that all admitted founders' own 12.5 % of the company at programme start or will gain at least 12.5 % ownership within the period of an active Innofounder course.</p>	<p>Task in e-grant. Submission of valid documentation, e.g. ownership log for the company.</p>

There may be additional tasks if you have received a conditional approval. These tasks will always concern a specific requirement that has not been met at application deadline. This could, for example, be submission of documentation for completed education.

## 4.2 When can the project begin?

Your course starts on one of three dates, which you can choose freely after you have received the commitment.

The accelerator programme and the financial part of the grant must run in parallel and you have to adhere to possible conditions set for the Innofounder grant before starting your Innofounder course.

### Possible starting dates

Find the specific start dates for your course on the website under the heading "From approval to start-up of project" and the section "When can the project start?".

Before your course can begin, you must have a CVR number with a NEM account. Be aware that it may take time to get a CVR number and a NEM bank account for the company.

## 5 During the project

### 5.1 How is the funding paid out?

Both the monthly funding and the development grant is paid out to the company's NEM account. The monthly funding is paid in tranches. 80% of the development grant is paid out at the same time as the first instalment of the monthly funding and the remaining 20% once the final accounts have been approved. All expenses must be defrayed before the end of the project period. Innovation Fund Denmark is responsible for the disbursements.

The funding is reported to SKAT via the company's registration number.

## **5.2 Do you need to submit accounts or other reports during the project?**

You are not asked to submit accounts or other reports to Innovation Fund Denmark during the project period. However, the operator responsible for the sparring process will regularly evaluate your progress in close dialogue with you. For more information, cf. 1.2.3.

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

Any significant changes affecting your Innofounder course must be communicated to Innovation Fund Denmark as soon as possible, who will then decide if the project can continue under the new circumstances. Significant changes include e.g. external funding obtained from other public sources, changes to the Innofounder team and significant changes to the business idea on which the funding is based. Significant changes also include changes to the company's capital situation (bankruptcy and suspension of payments) or similar.

## **5.4 What should you do at the end of the project period?**

At the end of the course, you must complete and submit your final accounts and an evaluation questionnaire. Once the final accounts have been approved by Innovation Fund Denmark, the last 20% of the development grant will be paid out to you. The evaluation questionnaire must be submitted no later than one month before the end of the course. The final accounts must be submitted within three months after the end of the course. An auditor's statement must be provided along with the final accounts. The statement should document that the submitted accounts are correct, and that the funding has been used in accordance with the funding terms.

You will receive a reminder of the final accounts and evaluation in e-grant.

The auditor's statement must comply with Innovation Fund Denmark's auditing instructions in effect at the time in question. You can find the current accounting regulation and account form on the Innovation Fund Denmark website under "[Project administration](#)".

## **5.5 What happens in connection with illness or maternity/paternity leave?**

In case of protracted illness or maternity/paternity leave, Innovation Fund Denmark or you as an Innofounder can choose to suspend the course temporarily. In such cases, the course will be extended correspondingly once it is resumed. If you intend to hold a maternity leave during your Innofounder course, you must contact the Innovation Foundation before the maternity leave begins.

During a temporary suspension of the course due to illness or maternity/paternity leave, you are not entitled to any form of benefit from Innovation Fund Denmark. You should therefore consult the rules on unemployment benefit to learn about the possibility of receiving sickness or maternity/paternity leave benefit.

In case of a temporary suspension of the Innofounder course, the 12 months Innofounder accelerator will, as a rule, not be extended or postponed, and the requirement for attendance in the accelerator activities will be waived for the founder concerned.

Innovation Fund Denmark will inform the accelerator operator about the temporary suspension.

Valid documentation should be submitted in case of protracted illness.

In case of illness, it is, as a rule, only possible to be on sick leave for a maximum of 120 days during the course.

### 5.5.1 Partial sick leave (50 %)

It is possible in case of protracted illness to apply for a partial sick leave where you work part time (50 %). In case of partial sick leave, it is required that you work 18.5 hours a week on the idea and do not have any other significant employment or education. The monthly amount paid to the founder concerned will be DKK 13,750. The Innofounder grant will be extended accordingly such that the total amount paid from Innovation Fund Denmark will be the same over the full course of the funding period.

The 12 months Innofounder accelerator programme will, as a rule, not be extended or postponed in case of a partial sick leave, but the founder concerned will still be required to participate actively in the accelerator activities.

If you choose to make use of a partial sick leave, you should inform Innovation Fund Denmark that will need to give its approval. You need to submit valid documentation for a protracted partial sick leave.

### 5.5.2 Holiday

During your Innofounder course you may take 5 weeks holiday as prescribed by the Holidays with Pay Act. Holiday does not need to be approved, but you should work with the operator of the accelerator programme to advance or postpone any compulsory activities taking place during the planned holiday.

## 5.6 Submitting documents and communicating with Innovation Fund Denmark

Please note that the final accounts must be submitted via e-grant, which contains templates for this purpose. Please submit questions of a general nature regarding the course via the communication thread in e-grant. Other relevant documentation regarding the course must also be submitted via e-grant.

## 6 State aid

Funding received through the Innofounder programme constitutes state aid given as so-called start-up aid in compliance with Article 22 of Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, cf. <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0651&from=CS>. The total funding for a company from the Innofounder programme, including the value of the accelerator programme, amounts to:

	1 founder	2 founders	3 founders
Total funding under Article 22	DKK 510,000	DKK 840,000	DKK 1,170,000

The EU state aid rules set out a number of conditions under which Innovation Fund Denmark can fund your project, and you must therefore provide specific information and declarations in connection with your application confirming that your company comply with those conditions.

An Innofounder company can thus not:

- Have existed for more than five years before the time of funding (this also applies to companies with a controlling influence over your company).<sup>4</sup>
- Have taken over activities from another company.
- Be the result of a merger (unless all the merged companies are less than five years old).
- Have distributed profits (this does not include salaries).
- Have more than 49 employees and a total annual balance of more than EUR 10 million.
- Have received a repayment order for funds given by the Danish state and declared illegal and incompatible with the Internal Market by the EU Commission, which the applicant has not yet complied with.
- Be defined as an “undertaking in difficulty”.<sup>5</sup>

If those conditions are not met or the declarations are incorrect, you will not be eligible for funding and should as a rule repay the full amount of funding. You should also be aware that the same eligible costs may not be supported by Innovation Fund Denmark or other public authorities if this results in the aid ceilings of the EU General Block Exemption Regulation being exceeded as stated in Article 22, (3 c and 4) and cf. Article 8, (5).

## 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, that the content of the appendices is correct, and that the application is submitted before the application deadline.

As a rule, Innovation Fund Denmark does not collect further information to process the application, unless otherwise stated in the other parts of these guidelines, just as material submitted after the application deadline and other documentation aside from the material described in the application will not as a rule be included in the assessment.

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

### Retraction of application information

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

### Passing on information to the operator team

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<sup>4</sup> At the time of application, the applying company can be no more than three years old, cf. section 1.2.1.

<sup>5</sup> <https://eur-lex.europa.eu/legal-content/DA/TXT/PDF/?uri=CELEX:32014R0651&from=FR>, artikel 2 nummer 18.

Innovation Fund Denmark employs an external operator to conduct the Innofounder accelerator programme. Innovation Fund Denmark therefore passes on the grant owner's general personal data (name, telephone number, e-mail address and postcode) to the operator of the Innofounder accelerator programme. This is done so that the operator may carry out its task for Innovation Fund Denmark.

#### **Collection of other information**

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

#### **Privacy policy**

The privacy policy of Innovation Fund Denmark concerns our treatment of your personal data when we have the obligation as data controller.

We treat your personal data in compliance with existing legislation, including the general data protection act and the law on data protection.

## **8 Publication of information**

Applicants should be aware not to include business-sensitive information in the title of the application. Innovation Fund Denmark may, if requested (due to e.g. the Danish Open Administration Act), without notifying you as applicant pass on lists containing information about the name of the company, project title, the investment applied for, the final decision (rejection/approval) as well as, in some cases, the actual investment for all submitted Innofounder applications.

Innovation Fund Denmark will always publish a list of applications receiving an investment (including the name of the company, project title and investment granted).

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

## **9 About these guidelines**

#### **Legal basis**

These guidelines have been established in accordance with section 18 (2), in Act No. 1660 of 12 August 2021 on Innovation Fund Denmark, and section 2 (4) in Consolidation Act No. 1150 of 25 October 2017 on funding, etc. under Innovation Fund Denmark.

We inform applicants that Innovation Fund Denmark adhere to the guidelines for international research and innovation (URIS). For more information, see: [https://ufm.dk/publikationer/2022/filer/uris-guidelines\\_english-version.pdf](https://ufm.dk/publikationer/2022/filer/uris-guidelines_english-version.pdf).

The applicant guarantees that receipt and use of the investment 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 investment 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 here: [https://ufm.dk/en/research-and-innovation/funding-programmes-for-research-and-innovation/e-grant/copy\\_of\\_operational-status](https://ufm.dk/en/research-and-innovation/funding-programmes-for-research-and-innovation/e-grant/copy_of_operational-status).

In very exceptional cases, Innovation Fund Denmark may extend the application deadline for all affected applicants. This will be announced on the Innovation Fund Denmark website/[Apply for investment](#).

Innovation Fund Denmark and the Danish Agency for Higher Education and Science disclaim all and any liability for losses or damages 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.

#### **Discrepancy**

In case of discrepancy between the Danish and English versions of these guidelines, the Danish version takes precedence over the English version.