



EIT DIGITAL

Open Innovation Factory 2023
Q&A Session 1

I would like to understand how to fit in this program and how it could be beneficial for both parties!



- Benefits of participating in the Open Innovation Factory
- Benefits of belonging to the EIT Digital Ecosystem

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EIT Digital **Open Innovation Factory**

€400k

Financial support
provided by EIT
Digital

>2%

Equity requested

6

Months long
program

€10k

Revenue goal to
validate

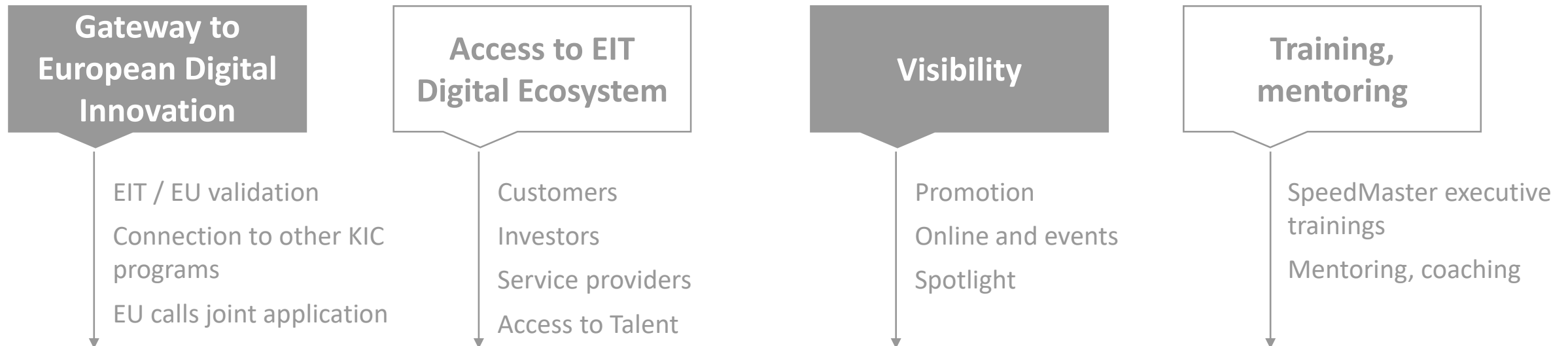
Boost your startup with customers and technology providers within EIT Digital's extensive ecosystem of 350 partners and 21 European locations.

A program for fast-growing ventures that are less than **3 years old and have traction**

We connect you with 1 000+ EIT Digital **VC/CVC partners** and **Business Angel Networks**

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EIT Digital **Ecosystem**




We'll work together to make the startup a great European **success!**

Are startups founded in 2018 eligible to apply? If not, what would be the right programme? Is this open to tech under construction?

- The start-up to be boosted must be registered **on January 1st, 2019, or later.**
- The rest of the partners have no constraints in this regard.
- Construction Industry can be part of the Digital Industry (production, logistics), Digital Cities (urban design, urban mobility) or Digital Finance (financing) strategic areas, depending on the venture objective

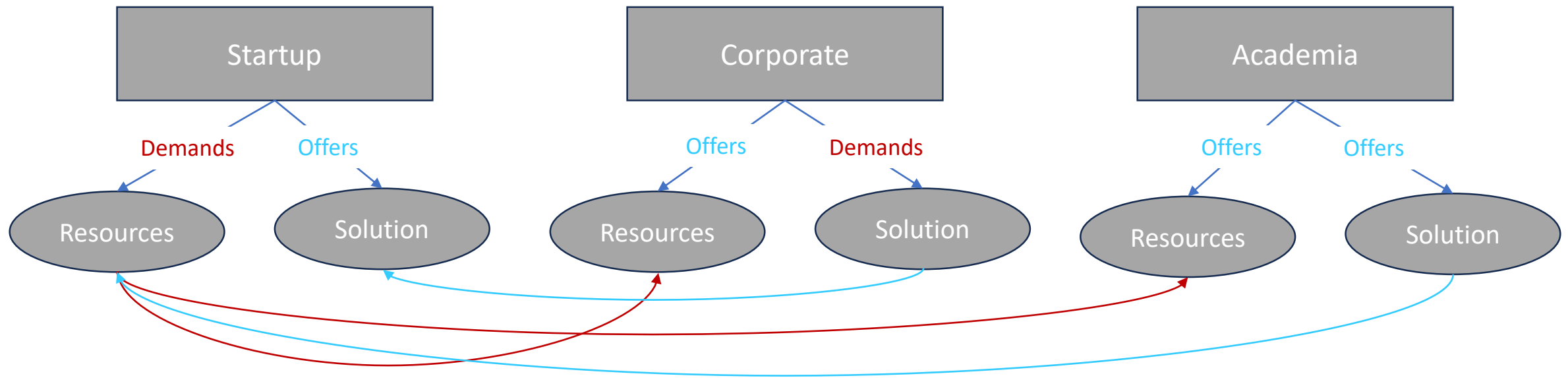
What would be the key criteria/goal you are trying to reach with this call that you rarely see being met by applicants?



Eligibility conditions
The applicants requesting EIT funding must be registered in an eligible country (see below for a list of eligible countries).
The proposal requests a maximum of €400,000 of EIT Digital funding.
The activity partners own contribution (co-funding) must be at least 50% of the activity's budget.
The venture to be boosted is not a subsidiary of another company and is not controlled by another company other than, if applicable, a non-trading holding company established solely for the assignment of founder shares.
The venture to be boosted has outright ownership of a substantial majority of the product's IP to which the proposal applies.
The equity proposal to EIT Digital from the venture to be boosted is between 2-15%.

- In general, the applicants comply with the mandatory eligibility conditions.
- Regarding the best quality goals, the best proposal should be:
 - Aligned with the Strategic Areas
 - Based on Deep Tech
 - In the initial stages in the market or very close to it
 - Extraordinary team
 - Supported by investors

How does the matchmaking tool work?



Match in terms of:

- **Resources:** user, services provider, solution provider, technology provider, market creator, pilot host, infrastructure provides, funding.
- **Deep Tech alignment:** Digital Tech, Digital Cities, Digital Wellbeing, Digital Finance and Digital Industry.

Fill out the form here!



How much extra effort does the program require?

- Proposal preparation
 - Filling in a (relatively) simple form. The key is summarizing the different concepts more than heavy documentation or multiple attachments
- Activity execution
 - Internal coordination between partners
 - EIT Digital monitoring
 - 45 minutes follow-up meeting per month.
 - 1 mid-term report at 3rd month.
 - Some communication/awareness contacts
 - Final reporting deliverables:
 - Project progress report
 - KPIs reporting
 - Deliverables
 - Cost reporting

What is the success rate of applications?

- There is not an objective or standard on that. It depends on their quality and budget requested
 - In last cut-off there were 47 proposals and 8 were selected
 - In previous one there were 40 proposals and 9 were selected

With the UK now associating with Horizon Europe 2024, can UK companies participate without needing to create a new EU company?

Yes.

More info: <https://tinyurl.com/yntxeku2>



What are the eligible costs?

HE cost (Budget)	Cost category	Indirect cost	HE detailed type cost (Cost reporting)	Remarks
A	Personnel	25%	A1a. Employees under an employment contract, actual costs A1b. Employees under an employment contract, unit costs	Employees, actual costs
			A2. Natural persons working under a direct contract	Contractors, actual costs
			A3. Seconded persons by a third party against payment	Seconded persons working similar to employees with a secondment contract.
			A4. Personnel, SME owners without salary	Non-employees. Any level of ownership. Unit cost by country (250-325 €/day)
B	Sub-contracting	No	B. Sub-contracting	Resources for the product. Follow special rules for “best value for money”
C	Purchase costs	25%	C1. Travel and subsistence	Actual costs.
			C2. Equipment	Only depreciation. For small items used just for the activity, full cost.
			C3. Other goods, works and services	Purchase of goods and services (in general, not related with the product) i.e. legal, marketing,...
D	Other Cost Category	No	D1a. Financial support to third parties: Grants	Subgranting. Limited to 60K.
		No	D2. Internally invoiced goods and services	Be careful. Only for companies with internal accounting transfer.
	In-kind contribution		Contributions by a third party for free.	Reported by the beneficiary under same concept Requires declaration/approval procedure

How does the owners/founders cost work?

- Cost type A.4 SME owners (sometimes called “sweat equity”) applies to:
 - Owners of the startup (shareholders during the activity) that are not employees
 - Working for the activity because their ownership interest
- There is a standard cost accepted
 - No need of cash-out by the startup
 - Standard rate (285 €/day) adjusted by country
 - Need to fill in and file a declaration of the time devoted to the activity
 - 25% additional indirect cost apply
- Note: future stock options does not represent current ownership