

**ANNEX II**

**EIT Digital Venture Incubation Program**

**RULES AND REGULATIONS**

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# 1 EIT Digital Venture Incubation Program

With the objective of continually fostering the creation of new deep technology-based ventures, EIT Digital IVZW (hereinafter referred to as “EIT Digital”), an international non-profit association under Belgian law, with registered office at Rue Guimard 7, 1040 Brussels, Belgium, hereinafter EIT Digital registered under the Belgian company number 0831.431.639, is launching the EIT Digital Venture Incubation Program. EIT Digital works towards and believe that creating a Strong Digital Europe will safeguard European values by being inclusive, fair, and sustainable.

The EIT Digital Venture Incubation Program is a two-stage competition whose mission is to support the establishment of deep technology-based ventures, thus complying to EIT core KPIs of venture support and venture creation, by helping innovators in:

- developing and finalizing their Minimum Viable Product (MVP)<sup>1</sup>, e.g. a market-validated functioning version of their product
- establishing their company.

The program The program is executed and delivered by Innovation Partners of EIT Digital.

EIT Digital reserves the right to choose at its entire discretion and without any further liability on EIT Digital’s part, to not execute this edition of the program if the number of applications does not reach the required amount for the development of the program. EIT Digital shall communicate said circumstance to the applicants of the cancelled edition as soon as reasonably possible.

This particular call is open to residents in countries listed hereinafter.

**EU Member States:** Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Greece, Hungary, Italy, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Germany, Sweden

**H2020 Associated Countries in Europe:** Montenegro, Republic of North Macedonia, Serbia, Turkey, Ukraine.

**Outermost Regions:** Guadeloupe, French Guiana, Réunion, Martinique, Mayotte and Saint-Martin (France), the Azores and Madeira (Portugal), and the Canary Islands (Spain)

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<sup>1</sup> A minimum viable product (MVP) is a development technique in which a new product or website is developed with sufficient features to satisfy early adopters. The final, complete set of features is only designed and developed after considering feedback from the product's initial users.

## 1.1 Structure of the Venture Incubation Program (Incubator)

By applying to the Venture Incubation Program, teams participate in a two-stage competition. In the first stage teams have the chance to win a “Growth Package” consisting of a cash prize and participation in the pre-Acceleration Phase. Admission to the second stage requires the successful completion of the first stage and the incorporation of the venture, and gives applicants the chance to win the “Final Prize”, a cash prize of either 10,000 € or 20,000 € or 25,000 € based on their performance. Established ventures will provide EIT Digital with equity.

### Growth Package

The Growth Package consists of an 8 week pre-Acceleration Phase delivered by qualified experts, and a cash prize of 5,000 €. The pre-Acceleration Phase will support teams in the development and finalization of their MVP and in the establishment of their venture. It will provide training in entrepreneurial skillset through a two-day bootcamp and an 8 week-long virtual mentoring program and features a Pitch Day as defined in the Venture Incubation Program. The pre-Acceleration Phase for this call will be executed by the EIT Digital Venture Incubation Program Partner and will be overseen by the Venture Incubation Program Committee consisting of 2 representatives from EIT Digital and 2 representatives of the Partner. The pre-Acceleration Phase will:

- Help selected teams to focus on market verticals & offer, shifting from a product to a market perspective.
- De-risk deep-tech ventures via product and market validation, pushing participants to test market hypotheses with real potential customers.
- Create opportunities for peer-to-peer learning among selected teams encouraging a strong community spirit that will last far beyond the end of the program.
- Enable participants to maximize their product-market fit by exposing them to real market actors in their target sectors.
- Prepare the participants for a seed stage investment from Business Angels or Venture Capital firms.

At the end of the pre-Acceleration Phase, successful participating teams are expected to have executed and validated their Minimal Viable Product (MVP) and to have established their one and only one venture through incorporation in one of the current 27 EU member states.

### Final Prize

Teams that a) have been awarded the Growth Package and b) have successfully completed their MVP and incorporated their venture in one of the EU 27 countries, will be eligible to apply for a prize of either 10,000 € or 20,000 € or 25,000 € depending on their performance, payable to the venture.

## 1.2 Venture Incubation Program’s Focus

EIT Digital Venture Incubation Program focuses on *deep innovation* - i.e., new deep-tech-leveraged global solutions requiring consistent human and financial resources to achieve commercialization. It targets strong value propositions from entrepreneurs, with an

existing prototype or Proof of Concept (PoC) or who are anyway close to realizing their MVP.

The program focuses on 5 market verticals

### ***Digital Industry***

Digital Industry covers the seamless process from production to retail and related supporting functions such as logistics and consumer engagement.

We are looking for innovative solutions to improve efficiency in production and retail, to better address customer needs, and to help save natural resources in manufacturing and logistics. This includes solutions creating value from big data collection, aggregation, analysis and visualization services (and their enabling technologies) for decentralized production management covering the complete product life cycle:

design, simulation, production, operation/consumption, maintenance, and consumer relationship frameworks. Value creation may also be achieved from dynamic and flexible omnichannel solutions for all kinds of commerce – physical, online or blended- which enable the seamless consumer experience in exploration, in choice of products, payment and delivery, as well as collection and analysis consumer trends and insight for logistics, retail operations and customer relationship management.

*Keywords:* Production and retail, manufacturing, IoT, logistics, big data

### ***Digital Cities***

Digital transformation of the cities through centralized, participative and collaborative interactions between city actors: government, city service providers, industry, citizens.

In the information area, we are looking for solutions to allow municipalities or regions to evolve from Open Data to an Urban Information Framework, creating value from big and real time data, audio/video flows generated by any sensors, IoT, social networks, crowd sensing, etc. Examples of expected new business models include semantic data browsing, data brokerage and trusted services between data providers and customers, as well as hyper-local services and local Internet networks. Additionally, solutions for a clean, quiet, stress-less and cost-effective mobility are of interest. Mobility as a Service integrating public, private, peer-to-peer, conventional, decarbonized or autonomous transport means in seamless door-to-door mobility services. Augmented and virtual reality solutions for city planners and tourists in situ with valuable added information about the past and potential future of city sights. Also, solutions improving the safety in the cities are expected, either for exceptional events such as concerts, climatic events or terrorist attacks, or in daily life, in the street, at home or at work. Traditional centralized systems need to be enhanced with citizen participation and collaboration at each step of risk management: risk analysis, prevention and mitigation strategies, training, prediction and post-event analysis.

*Keywords:* mobility, safety, e-government

### ***Digital Wellbeing***

Digital Wellbeing leverages digital technologies to stay healthy (prevention/early

detection) or cope with an existing chronic condition. Both physical and mental wellbeing are considered.

The solutions should enable consumers to be well-informed about their wellbeing and to be able to use digital instrumentation to monitor and improve their quality of life, according to the motto “an ounce of prevention is worth at least a pound of cure”. Good examples are products (unobtrusive sensors and actuators and associated software services) targeted at occupational and private health and fitness. The clear focus is on measures supporting prevention or secondary care for both physical and mental/cognitive impairments. Correlation of diverse data sources in a “big data” approach is also important to get more relevant results. As the collected data is sensitive, privacy-aware systems are equally important. Solutions that delay the onset of physical and cognitive/mental conditions or cope with these conditions in a social context are considered as a triple win.

*Keywords:* prevention, fitness, monitoring, early detection, e-health

### **Digital Tech**

Digital Tech is the core enabler of digital transformation, by providing secure, robust, responsive and intelligent communications and computation facilities.

In this category we have several targets: In networking, the focus lies in improving the mobile broadband infrastructure, network management tools based on software defined networks (SDN), and a multitude of IoT applications in the network area. In computing, we focus on Cloud Computing, Big Data, and Artificial Intelligence, especially technologies efficiently combining AI techniques such as machine learning and deep learning capabilities on top of the cloud & Big Data platform(s) in such a way that it leads to successful business. In security, we are looking for solutions on privacy, cyber security, and digital ID management. Of great interest are solutions enforcing the privacy-by-design paradigm and the minimality principle in balance with usability, and usage of user-controllable privacy policies and assurance levels. We are also looking for data privacy solutions for cloud services through implementation of advanced cryptographic techniques.

*Keywords:* Cloud Computing, Big Data, AI, privacy, cyber security, digital ID management

### **Digital Finance**

Delivery of innovative financial products and services through digital technology, with the objective of making financial systems more reliable, more transparent, and less dependent on central infrastructures.

Within this category, we are looking for disruptive solutions using blockchain technology for various applications, including payments, contract handling and voting. Technologies integrating Artificial Intelligence, pattern identification technologies, machine learning, natural language processing, homomorphic encryption and big data analytics are equally interesting. In addition, solutions improving interactions between customers and financial service providers, offering new and innovative approaches for customer relations and focusing on usability are part of the focus of the Digital Finance category.

*Key words:* blockchain technologies, pattern identification, machine learning, natural

language processing, homomorphic encryption

## 2 Venture Incubation Program - Growth Package

### 2.1 Submission of applications

Submissions are expected to be made by multidisciplinary teams of at least 2 individuals with both technology and management skills, that have an innovative business idea, PoC or prototype in Digital Industry, Digital Tech, Digital Wellbeing, Digital Finance and Digital Cities.

- All applications must be submitted in English using the application form provided on F6S online platform via provided link – no paper submissions will be considered.
- Submissions must be received no later than the **28<sup>th</sup> April 2024, 23:59:00 CEST**

By submitting the requested information, teams represent and warrant that they have all rights, title and/or interest in their proposal, and that it is accurate and complete and that by submitting to the EIT Digital Venture Incubation Program, they are not and will not be likely to be violating any contract or third party rights, including any patents, copyright, trade secret, proprietary or confidential information, trademark, publicity or privacy right.

### 2.2 Eligibility Conditions

- All team members must be fully-fledged members of the team and must be listed in the online application form.
- A minimum number of 2 members per team are eligible to take part in the competition.
- Team members must be resident in one of the following countries:
  - **EU Member States:** Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Greece, Hungary, Italy, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Germany, Sweden
  - **H2020 Associated Countries in Europe:** Montenegro, Republic of North Macedonia, Serbia, Turkey, Ukraine.
  - **Outermost Regions:** Guadeloupe, French Guiana, Réunion, Martinique, Mayotte and Saint-Martin (France), the Azores and Madeira (Portugal), and the Canary Islands (Spain)
- Each team can submit one and no more than one application.
- Applying teams must not have already established a legal entity for the project in question. Those teams who already have registered start-ups before 1 January 2024. connected to their business ideas are not eligible to participate. Start-ups who registered their company in the given calendar year (from 1 January 2024) are eligible for the program.
- Submissions must be legible once printed in black and white using default printer settings.

- Submissions must clearly specify the bank account which the 5,000 € prize is to be paid to.
- Any source of funding that has an equity ownership component, including funding from non-managing founders, is considered institutional and must be clearly identified in the proposal.
- Teams that are in the process of securing arrangements for capital from any source must disclose the amounts and types of sources of capital (e.g.: Grants, Angel and or Venture Capitalists (“VC”)) as well as amounts and dates. This information shall be clearly identified in their submissions and Teams shall keep the Venture Incubation Program Committee aware of such developments throughout the selection process. Such information will be treated as confidential.

The Venture Incubation Program Committee reserves the right to disqualify any submission that violates any of the points above. Disqualified submissions will not be reviewed and will receive no feedback.

## **2.3 Selection process**

The selection process for the Growth Package will be performed by the Venture Incubation Program Selection Panel, appointed by the Venture Incubation Program Committee. The process will go through two phases:

- Application shortlisting, based on individual assessments provided by the Selection Panel members, followed by a consensus meeting.
- Interviews via video-conference with shortlisted teams.

Only shortlisted applicants will be contacted.

### *2.3.1 Selection criteria*

Submissions that describe exciting technological breakthroughs but fail to show a clear path to commercialization will not score well. The goal of the EIT Digital Venture Incubation Program is not to fund science, but to support the execution of the MVP and the establishment of a new venture.

The selection will focus on how well the team has prepared the submission, i.e.

- Their solution to a clearly identified market challenge within one of the verticals identified in Section 1, and the fit of the envisioned MVP to solve such a challenge demonstrated by the validation of at least a first mock-up prototype.
- The venture’s business model, how it's going to be implemented and its scalability.
- Of the utmost importance, the quality of the team and its capability of executing the identified strategy, including clearly identified technical and business skills. Key operational aspects during the execution stage and how the support provided may or may not have an impact on it.
- General quality of the presentation and demonstrated communication skills.

In more detail, all submissions shall address the following points, always to the extent that this is allowed under applicable law, which will also constitute the main evaluation criteria.



## **Excellence:**

### **1) Technology underlying the product or service; uniqueness of the solution**

Please, keep in mind that the Venture Incubation Program targets deep-tech based solutions. Start by describing your technology, the stage of technical development you are at and what the next critical steps in development are to establish your MVP and have your solutions ready to launch in the market. What makes it different (better) from existing solutions? Participants must refrain from disclosing any confidential information for that purpose. In other words, do not describe how your technology works but rather explain what technology it is, what it does and how it meets customers' needs. Also, explain your strategy for managing any Intellectual Property (IP) protection for your solution.

### **2) Product/service innovativeness**

Through a clear, 2 to 3 sentence statement, describe your solution, the benefits for the customer and how it overcomes the problems identified in item 2. Be as quantitative as possible in the description of the benefits. For instance, do not just say that your solution "is better than.." but rather "enables XX% improvement in.."

## **Impact:**

### **3) Global impact**

Describe the main characteristics (margins; emerging; consolidation stage, other) of the market in which you will introduce your solution (product or service) and in which way your value proposition (to the customer) makes it an attractive opportunity for an investor. Include the financial needs for implementation and the projected returns for a hypothetical investor. Also, highlight how the market has been growing and how it is expected to grow in the foreseeable future. Always quote and reference your sources. You will also need to focus on market sizes for the total and the addressable markets respectively, and make clear any economic, political, and regulatory issues that may limit market access.

### **4) Addressed market/business challenge and its dimension**

Through a 2 to 3 sentence statement, describe who is your customer and the challenge that your product and/ or service will actually solve or help to solve. Characterise clearly and quantitatively the current problems faced by customers with existing solutions (from competitors, direct and indirect).

## **Quality and efficiency of implementation:**

### **5) Team composition and fit of each member with the project**

Describe the core knowledge and expertise of each team member, as well as any areas of competence still in need of development within the team. Be as open and honest as possible. Describe also the team's access to knowledge and expertise in any specialist field outside yours but required to implement the solution envisaged, i.e. your product and / or service, and to establish your venture.

### **6) Risks associated with your business model**

Global investors expect teams responsible for their projects to apply international best practice in managing the risks and achieving the objectives of the project. Risk management needs to be balanced with the opportunities presented in a timely and cost-effective manner. Clearly identify the main risks involved in your business model and strategy. Document the risks and the severity of any legal/regulatory issue (e.g. International standards, issues with privacy regulation, IP disclosures and protection strategies, etc.). Provide a discussion of the budgetary implications of dealing with the above risks, being honest about possible costs no matter how uncertain such estimates may be.

At least 3 Selection Panel members (out of which at least 2 external experts) will individually rate each application according to the above listed Selection Criteria. Each category will be scored on a scale from 1 to 5 by the Panel members where:

- Poor - criterion is inadequately addressed or there are serious inherent weaknesses
- Fair - application broadly addresses the criterion, but there are significant weaknesses
- Good - application addresses the criterion well, but a number of shortcomings are present
- Very good - application addresses the criterion very well, but a small number of shortcomings are present
- Excellent - application successfully addresses all relevant aspects of the criterion. Any shortcomings are minor.

The maximum score attainable is 30.

After individual assessments, the Panel will convene in a consensus meeting and select the applicants to invite to individual interviews, with the aim of gathering additional information and clarifying possible pending issues.

After the interviews, the Selection Panel will rank the shortlisted applicants and provide, by consensus, the list of the winners of the Growth Package Prize, including a reserve list of eligible applicants. If a selected applicant resigns from the Program, the next ranked applicant from the reserve list shall be invited to participate.

## 2.4 Selected Teams' Obligations

Selected teams will receive from EIT Digital confirmation of their selection and EIT Digital will provide them with the following package of contract documents to sign:

- The "Venture Incubation Program 2024- Growth Package PRIZE AGREEMENT" with EIT Digital (see below), including
  - A **Rules & Regulations** acceptance confirmation.
  - Signed copy of a SAFE (Simple Agreement for Future Equity) letter which will be countersigned by an authorized representative of EIT Digital.

Each team member will have a maximum of three working days, upon request from EIT

Digital to sign (each team member) and send electronically the full contract for the Venture Incubation Program 2024- Growth Package PRIZE AGREEMENT listed just here above.

## 2.5 Growth Package Prize

Signature of all the documents in section 2.4 is required to receive the Growth Package prize. The prize can only be awarded as a full package, and not divided into single items.

If all agreements in section 2.4 have been effected, the 5,000 € cash prize shall be issued within three weeks to the bank account specified in the application.

The prize winners shall be responsible for all possible taxes, wire transfer costs and other possible costs related to the payment of prize amounts.

## 3 Venture Incubation Program - Final Prize

### 3.1 Submission of applications

Submissions are reserved to the ventures - established in one of the EU27 countries - by the teams that had been awarded the Growth Package. All applications must be received no later than the **1<sup>st</sup> September 2024, 23:59:00 CEST.**

### 3.2 Eligibility Conditions

Application is reserved to ventures established by teams that:

- have been awarded the Growth Package
- have actively participated in the entire pre-Acceleration Phase (see 1.1)
- have attended the entire two-day Bootcamp on a FULL TIME basis
- have participated in the final Pitch Day
- have incorporated one and just one company based on the project in one of the current 27 EU member states.

The selection will be performed by the Venture Incubation Program Selection Panel.

### 3.3 Selection Criteria

Applications to the Final Prize (first tranche and second tranche) will focus on the description of the finalized MVP and customer tests and their quality (2 pages max).

#### **Excellence:**

- Advanced technological level of MVP (not a "paper-test")
- The MVP must show clear prioritization of "minimum" features and the team must outline the hypotheses on which these are based

#### **Impact:**

- Based on the MVP a clear product-market fit should be demonstrated, including an analysis of target customers and how the MVP addressed their specific business needs (both quantitative and qualitative).

### Quality and efficiency of implementation:

- Data collected for the MVP: prove relevancy in terms of both size and quality

At least 3 Selection Panel Members (out of which at least 2 external experts) will individually review each application and, based on the above-mentioned 4 Selection Criteria, assign a score. Each selection criterion will be scored on a scale from 1 to 5 by the Panel members where:

- Poor - criterion is inadequately addressed or there are serious inherent weaknesses
- Fair - application broadly addresses the criterion, but there are significant weaknesses
- Good - application addresses the criterion well, but a number of shortcomings are present
- Very good - application addresses the criterion very well, but a small number of shortcomings are present
- Excellent - application successfully addresses all relevant aspects of the criterion. Any shortcomings are minor.

The maximum score attainable is 20. Individual assessments will be discussed by the Panel members in a consensus meeting to produce the list of the winners of the Final Prize.

### 3.4 Final Prize Amount

The Final Prize Amount consists of three tranches:

- 1) Applications with a final score greater than or equal to 16 will receive 10,000 € (the first tranche)
- 2) A maximum of 8 ventures **across the EIT Digital Venture Incubation Program in 2024**, which
  - a. have received or are in the process of receiving Follow-on Funding of at least 50,000 € from a 3<sup>rd</sup> party as defined in 3.5a and
  - b. have provided adequate proof of it to EIT Digital – according to section 3.5b– before 24<sup>th</sup> November 2024, 23:59:00 CET.

will receive an additional 10,000 € (the second tranche). The allocation of such a second tranche shall be determined on a “first-come-first-serve” basis amongst the ventures participating **across the EIT Digital Venture Incubation Program in 2024**.

- 3) A maximum of 4 ventures across the EIT Digital Venture Incubation Program in 2024, which have successfully deployed their product/service in the market and achieved commercial traction as defined in 3.5 c and 3.5 d will receive 5,000 € (third tranche)

### 3.5 Definitions of Follow-on funding & Adequate Proof of Follow-on Funding, Commercial Traction & Adequate Proof of Commercial Traction

#### a. Definition of Follow-on Funding

Follow-on Funding is defined as either

- a signed commitment (e.g. term sheet) on the provision of funding of at least 50,000 € in cash by a 3rd party with a clearly expressed interest in acquiring equity in the applicant's company. Loans, without the intent to acquire equity in the applicant's company are excluded. Convertible notes with the provision to turn into equity are included.

Or

a signed cash prize commitment from a third party of at least 50,000 € awarded to the incorporated venture for their achievements.

#### b. Definition of Adequate Proof of Follow-on Funding

Proof of the follow-up financing consists of a written contract signed and stamped where required, by both the incorporated applicant venture and the 3<sup>rd</sup> party fund provider before 24<sup>th</sup> November 2024, 23:59:00 CET.

#### c. Definition of Commercial Traction

Commercial Traction is defined as either

- a sales revenue of at least €10,000 documented.

Or

for open access products or services: having at least 200 satisfied users

#### d. Definition of Adequate Proof of Commercial Traction

Proof of Sales: Documents, such as invoices or online sales records, certifying cumulated financial transactions sold to a customer for at least € 10,000. Exceptionally EIT Digital can consider substitute evidence documents such as a sales contract or order form dated and signed by the customer with the time frame of the purchase and price indicated.

For open access:

Declaration of honour or links to websites showing the number of users who downloaded the product or service, and the number of users who provided satisfactory feedback.

The proofs must be provided by electronic means via the online application platform.

Submissions will be possible from the start of the Final Prize submission period until the 24<sup>th</sup> November 2024 23:59:00 Central European Time. EIT Digital does not take responsibility for technical problems on the website.

The timestamp of the reception of the proof document as registered by the application portal is decisive for the eligibility, as only the 10 first are eligible.

Applicants across all regional editions will qualify for the second and third tranche of the Final Prize Amount.

The validity of the provided documentation will be checked and confirmed by EIT Digital's Legal Department only after 25<sup>th</sup> November 2024. No information on the validity of the provided proof nor about the number of requests received for the second tranche of the Final Prize will be shared with applicants beforehand.

EIT Digital shall publish in its website (in the section for the Venture Incubation Program (<http://www.eitdigital.eu/venture-program>) the lists of the 10 first ventures having provided adequate proof of the funding and proof of commercial traction as stated in this clause, along with the timestamp of the reception by EIT Digital of the proof documents.

### 3.6 Selected Ventures' Obligations

Selected ventures will receive from EIT Digital the confirmation of their selection and EIT Digital will provide them with the following package of contract documents to sign:

- The "Venture Incubation Program 2024- Final PRIZE AGREEMENT" with EIT Digital (see below), including among other documents:
  - Conditions from the Framework Participation Agreement (FPA), and
  - the set of **Rules & Regulations**.

Each team member will have a maximum of three working days, upon request from EIT Digital, to sign (each team member) and send electronically the full Venture Incubation Program 2024- Final Prize AGREEMENT listed just hereabove.

### 3.7 Final Prize Payment

Signature of the documents in section 3.6 is required to receive the first part of the Final Prize. Each prize can only be awarded to a single venture.

If all agreements in section 3.6 have been effected, the 10,000 € cash prize shall be issued within no more than two weeks .

If applications qualify for the second tranche of the Final Prize, as defined in 3.4, and meet the requirements in 3.5, the second tranche of 10,000 € shall be issued no later than 31st December 2024.

The prize winners shall be responsible for all possible taxes, wire transfer costs and other possible costs related to the payment of prize amounts.

## 4 Intellectual Property and Publication Rights

Participants retain full and exclusive ownership of a) their prior information and intellectual property rights; b) any additional information and intellectual property right they might develop through the Venture Incubation Program.

## 5 Confidentiality - Data Protection

The sole purpose of the collection of data is to verify the eligibility of the proposals, identify the best teams or assess the quality of the achieved MVP. Only for the purposes of the execution of the competition will participants provide their name, postal address, email address and telephone number (“personal data”). EIT Digital will process the submitted material according to Belgian law.

The Venture Incubation Program Selection Panel members are the only individuals who may have access to the submitted information. All necessary steps are taken to limit access to the submitted information.

The Selection Panel will consist of people used to dealing with confidential material on a regular basis. If some part of the submitted information is confidential, applicants will have to clearly mark that information as “CONFIDENTIAL,” and the Venture Incubation Program Committee will retain that legend in any copy of the material provided to the Selection Panel. However, even if candidates mark their information as confidential, there will be no confidentiality obligation by any recipient of the summary for information which:

- i. Is publicly available prior to the time of its disclosure to the Venture Incubation Program or becomes publicly available thereafter through no wrongful act of the recipient, or
- ii. Was known to the recipient prior to the date of disclosure or becomes known to the recipient thereafter from a third party having an apparent *bona fide* right to disclose the information, or
- iii. Is disclosed by the recipient in accordance with recipient’s approval, or
- iv. Is disclosed by the recipient or any member of his/her team without restriction on further disclosure, or is independently developed by a recipient; or
- v. The recipient is obligated to disclose to comply with applicable laws or regulations, or with a court or administrative order.

By applying to the Venture Incubation Program, applicants consent that EIT Digital IVZW will collect, transfer, process, store and delete their data under above-mentioned conditions.

## 6 Conflict of Interest

Beneficiaries must take all measures to prevent any situation that could compromise the

impartial and objective implementation of the Agreement for reasons involving family, emotional life, political or national affinity, economic interest or any other direct or indirect interest (“conflict of interest”).

Beneficiaries must formally notify EIT Digital without delay of any situation constituting or likely to lead to a conflict of interests and immediately take all the necessary steps to rectify this situation.

EIT Digital may verify that the measures taken are appropriate and may require additional measures to be taken by a specified deadline.

## 7 Venture Incubation Program Prize Agreement

The participation of the selected teams in the two stages of the Venture Incubation Program will be regulated by two Venture Incubation Program Prize Agreements to be signed with EIT Digital:

- “EIT Digital Venture Incubation Program 2024 - Growth Package PRIZE AGREEMENT” which regulates the first stage of the program (see section 2). According to this agreement, each selected team has the right to receive the Growth Package and access the competition for the Final Prize.
- “EIT Digital Venture Incubation Program 2024 - FINAL PRIZE AGREEMENT” which regulates the second stage of the Venture Incubation Program (see section 3). According to this agreement, selected ventures have the right to receive the Final Prize.

## 8 EIT Digital Equity

By submitting an application to the EIT Digital Venture Incubation Program, participants commit to provide EIT Digital with equity in the venture, being a company incorporated (the NEWCO) within 2 years of the signature of the “EIT Digital Venture Incubation Program 2024 - Growth Package PRIZE AGREEMENT”, in which participants directly or indirectly have a majority stake and which has been developed through their participation in the Venture Incubation Program.

- That equity will correspond to 5% shares at nominal value of the Venture, according to the terms stipulated in the **SIMPLE AGREEMENT FOR FUTURE “EQUITY”**.
- The 5% equity must be granted to EIT Digital irrespective of whether the established venture has applied for the Final Prize and/or the outcomes thereof.
- A Share Transfer Agreement must be signed within the same year of incorporation or within a maximum of 100 days from the incorporation of the NEWCO.



## 9 EIT Digital Venture Incubation Program Schedule:

### 8.1 Key Dates:

Growth Package Submissions Deadline	28th April 2024
Selection Interviews (via video conferencing calls)	Until 10th May 2024
Announcement of Growth Package Winners (via email)	Until 15th May 2024
Growth Package Contracts signature	Until 20th May 2024
Growth Package Cash Prize	Until 30th May 2024
Pre-Acceleration Program Period	25th May to 20th July 2024
Bootcamps	25th to 30th May 2024
Demo Days	Until 30th July 2024
Final Prize Submission Deadline	1st September 2024
Announcement of Final Prize (first tranche)	16th September 2024
Additional Funding Deadline	24th November 2024
Announcement of Final Prize (second tranche)	22nd December 2024

8.2 The pre-Acceleration Phase for this call will be executed by EIT Digital Venture Program Partners.

8.3 The pre-Acceleration Phase will be overseen by the Venture Incubation Program Committee consisting of 2 (two) representatives from EIT Digital and 2 (two) representatives of the respective Partner in charge.

## 10 Media & Reporting

There is no requirement for a dissemination plan as such for participating startups. But all teams are required to participate in media and reporting opportunities related to the EIT Digital Venture Incubation Program. This includes, but is not limited to, the following opportunities:

1. All teams will be asked to provide a 500 character (without spaces) description in English during the Bootcamp that will be made available to media and may be released publicly, either in part or in its entirety;
2. All teams may be asked to speak to the media in interviews related to EIT Digital Venture Incubation Program and when requested by the Venture Incubation Program committee. Where possible, the EIT Digital Venture Incubation Program

- organizers will provide media coaching & mentoring before such occasions.
3. All teams may be asked to provide quotes and/or content press releases related to EIT Digital Venture Incubation Program and when requested by the Venture Incubation Program committee;
  4. Teams must display the EIT Digital logo with the text “ EIT Digital is supported by the European Institute of Innovation and Technology (EIT), a body of the European Union” on their website (if you have any) in a visible place. Relevant communication guidelines will be shared with teams during the program.
  5. Participating in media and press opportunities in no way, shape or form requires teams to disclose any proprietary or otherwise confidential information related to their businesses. The Venture Incubation Program committee agrees to provide consultation to any team, upon request, to avoid such disclosures while participating in press related opportunities.
  6. EIT Digital Venture Incubation Program will conduct at least yearly an “impact” survey which all participants are obliged to complete, including jobs created, financing raised, revenue generated among other critical information and this during a period of 7 years. EIT Digital Venture Incubation Program will use such information only in aggregate form. Any discrete use of the data will always require pre-approval by the participants.

## 11 Miscellaneous

1. The participants agree that they will explicitly use the branding of “EIT Digital Venture Incubation Program” in any advertising or public presentation further to being selected to the accelerator, in accordance with the instructions for the use of the brand.
2. THE VENTURE INCUBATION PROGRAM COMMITTEE MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND CONCERNING THE PROGRAM, OR ITS OUTCOME EXPRESS OR IMPLIED. IN NO EVENT SHALL EIT DIGITAL, ITS DIRECTORS, OFFICERS, EMPLOYEES AND PARTNERS BE LIABLE FOR ANY ADVICE, INFORMATION OR DECISIONS MADE IN THE FRAMEWORK OF THE EIT DIGITAL VENTURE INCUBATION PROGRAM. IN NO EVENT SHALL EIT DIGITAL INCUR ANY LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING BUT NOT LIMITED TO ECONOMIC DAMAGES AND LOST PROFITS. THE LIABILITY OF EIT DIGITAL SHALL IN ANY EVENT BE LIMITED TO THE AMOUNT OF 1.000 EUR.

## 12 Contact

For any required information, the contact email is [venture\\_program@eitdigital.eu](mailto:venture_program@eitdigital.eu) and the FAQ available in the website: <https://www.eitdigital.eu/venture-program/>

## **13 Acceptance of Rules and Regulations**

By submitting the application form, participants agree to the Rules and Regulations, which form part of the submission. Participants agree that they have no legal entitlement to any prize whatsoever.

EIT Digital IVZW reserves the right to make reasonable amendments to these Rules and Regulations. Amendments and additions to these Rules and Regulations shall be valid only if communicated in writing or otherwise made available to the participants.

Any deviation from these Rules and Regulations can only be made in writing and signed by an authorized representative of EIT Digital IVZW and the participant.

The terms and conditions of the EIT Digital Venture Incubation Program RULES AND REGULATIONS are governed by the laws of Belgium.

Any disagreement or dispute which may arise in connection with these terms and conditions which cannot be settled amicably will be brought before the exclusive jurisdiction of the courts of Brussels, Belgium

## ANNEX III

### SIMPLE AGREEMENT FOR FUTURE “EQUITY” (also known as “SAFE”)

BETWEEN:

FIRST PARTY

EIT DIGITAL IVZW (hereinafter referred to as “EIT Digital”), an international non-profit association under the laws of Belgium, having its registered office at Rue Guimard 7, 1040 Brussels, Belgium, registered with the Crossroads Bank for Enterprises of Belgium under the number 0831.431.639 herein represented by Mr Federico Menna (CEO)

And

SECOND PARTIES (hereinafter collectively called the PROMOTERS).

**Team Member I:**

Name, Surname

Date of birth:

Place of birth:

Id Number:

Address:

Email:

**Team Member II:**

Name, Surname

Date of birth:

Place of birth:

Id Number:

Address:

Email:

**Team Member** *[please insert subsequent numbers if additional members needed]*

EIT Digital and the Promoters being hereinafter individually called a Party and collectively Parties.

RECITALS:

1. The PROMOTERS have submitted an application to the EIT Digital Venture Incubation Program 2024 (hereinafter called the APPLICATION);
1. That APPLICATION submitted has for object the establishment of a new venture (hereinafter called the NEWCO).

2. According to Section 7 of the Rules and Regulations of the EIT Digital Venture Incubation Program (“EIT Digital Equity”), EIT Digital is entitled to a “right of equity” with regard to the NEWCO.
3. That “right of equity” with regard to the NEWCO is created to support the organization of EIT Digital and its sustainability.

The Parties, freely and in good faith, agree as follows:

#### CLAUSE 1

By submitting the APPLICATION, the PROMOTERS immediately and irrevocably undertake the obligations stipulated in this Simple Agreement or Future Equity (SAFE).

#### CLAUSE 2

By submitting the APPLICATION, the PROMOTERS undertake that, if the NEWCO is established no later than two years after the Effective Date of the “EIT Digital Venture Incubation Program 2024 - Growth Package PRIZE AGREEMENT”, the founding shareholders of the Company will transfer equity (shares of the NEWCO) to EIT Digital corresponding to the amount of 5% (five percent) shareholding. A Share Transfer Agreement must be signed within the same year of incorporation or maximum 100 days from the incorporation of the NEWCO. The Final Prize can only be transferred once the Share Transfer Agreement is signed by all parties.

The PROMOTERS and EIT Digital will in good faith further elaborate the details of establishing and realizing the equity position for EIT Digital in the NEWCO and will enter into appropriate undertakings, deeds and agreements in this respect, including, but not limited to the signature of a Share Transfer Agreement, (hereinafter referred to as the “STA”) and a Shareholders Agreement (or “SHA”) that will govern the relations of the shareholders in the NEWCO.

The PROMOTERS undertake to carry out the fulfillment of any legal, administrative, financial formality or any other requirement that might be imposed to them by the corresponding local/ national authorities of the territory where the NEWCO is incorporated, in order to effectively transfer the 5% equity to EIT Digital.

The PROMOTERS also undertake to negotiate and subscribe said Shareholders Agreement within a reasonable period of time agreed between the parties after the entry into force of the STA.

In order to guarantee that EIT Digital’s rights as shareholder in the NEWCO are not be affected in the term comprised between the signature of the STA and the moment when the Shareholders Agreement is fully formalized, the PROMOTERS undertake to accept that the following clauses and provisions shall be included in the STA:

- 2.1 The PROMOTERS, upon the signature of the STA shall ensure that by means of a decision by the Board (and/or if required, by the passing of a resolution of

the NEWCO's shareholders) the following actions will be undertaken:

- (l) the registration of EIT Digital into the Company's member register and, where required in the Companies' Registry of the jurisdiction where the company is incorporated as the holder of the shares under the terms and conditions of this Agreement; or
1. (ii) any equivalent proof that the shares have effectively been transferred to EIT Digital and that EIT Digital is legally registered as shareholder for the number of shares agreed under this Agreement.

The PROMOTERS shall collaborate with EIT Digital in the fulfillment of all the administrative, tax and corporate related formalities required by the local authorities and regulations in order to guarantee that EIT Digital shall be fully entitled and will be considered to all extent as a shareholder in the NEWCO.

To this end EIT Digital shall, if required by applicable local laws:

1. select the notary for the execution of the transaction; and
2. pay for the corresponding administrative costs involved in connection with the transfer of the shares.

2. 2 The PROMOTERS commit to organize a general assembly/ meeting of the board where it will be agreed that the following rights for EIT Digital will be included in the NEWCO articles of association and/or in the shareholders agreements. All shareholders shall provide for and/or agree to grant the following rights to EIT Digital and undertake the following obligations

- a. Pre-emptive rights to newly issued shares to be valid as from the date of EIT Digital Request,
- b. Guarantee that if EIT Digital offers its shares, and other existing shareholders do not exercise pre-emptive rights, EIT Digital will have the right to transfer its shares to a third party (not directly competing with the Company in the same market) at the same price per share as was proposed to the other existing shareholders,
- c. Tag-along rights,
- d. Unrestricted right for EIT Digital to transfer shares to affiliated entities,
- e. Unrestricted right for EIT Digital to participate in other ventures related to innovation activities,
- f. Besides the general right for EIT Digital to sell its shares at market value, EIT Digital shall have the right to disengage from the Company in the event of a material change in the business that might contravene EIT

Digital principles and/or reputation through execution of a “Put option” obliging the Company to purchase the EIT Digital shares at their nominal value.

The PROMOTERS, if the local legislation where the venture is incorporated does not include the above- mentioned rights (shareholder’s rights) in the articles of association of the NEWCO, undertake that the Parties shall negotiate and subscribe the corresponding shareholders agreement, where all the shareholders and the EIT Digital rights and obligations shall be detailed.

The mention in this document of all the above referred measures and provisions, shall in no case be considered as a limitation of EIT Digital’s faculty to include additional guarantees and protective measures in the STA with the purpose of ensuring the effective acquisition of the amount of 5% (five percent) shareholding in the NEWCO.

#### CLAUSE 3

3.1. The PROMOTERS undertake to have the right of exclusive use of all “intellectual property” (e.g. registered and not registered) linked to the PROJECT. When the NEWCO is incorporated, the PROMOTERS undertake to transfer to the NEWCO the ownership rights or the right of exclusive use of all “intellectual property” linked to the PROJECT.

3.2. The obligation referred to in Clause 3.1. will always be neutral regarding the “right of equity” of EIT Digital, e.g. the transfer of the “intellectual property” to the NEWCO will not entail any dilution of the shareholding held by EIT Digital.

3.3. The Promoters also commit that other than with the prior approval of EIT Digital they will not create competitive ventures providing the same products and services as the NEWCO and will ensure that the NEWCO shall not transfer material assets of the NEWCO to another company without market standard financial compensation to the NEWCO for such transfer of material assets.

#### CLAUSE 4

The Simple Agreement or Future Equity (SAFE) applies independently of the place or jurisdiction of the country of incorporation of the NEWCO, the PROMOTERS being obliged to ensure and take all the measures required to execute this Agreement and honor the obligations resulting from this Agreement according to the specific place or jurisdiction.

#### CLAUSE 5

In the event of default of the present SAFE by the PROMOTERS, EIT Digital may:

- a) Enforce this Agreement
- a) Or, in alternative, cancel this Agreement according to the law, being EIT Digital entitled to an indemnity of the amount of thirty thousand EURO (€30,000), as fair penalty clause.

#### CLAUSE 6

This Agreement is governed by the laws of Belgium.

Any dispute arising or in connection with this Agreement shall be finally settled under the exclusive jurisdiction of the courts of Brussels.

#### CLAUSE 7

Any notice under this Agreement shall be sent to the address and/or the email address(es) listed herein.

Parties agree to waive the obligations resulting from article 1352 of the Belgian Civil Code and agree that the signed copies, as provided in electronic manner, shall be deemed to have the same evidential value as an original (signed) document.

Signatures & Dates:

For EIT DIGITAL IVZW

For the Promoters

Mr Federico Menna

CEO

Date: