





Vouchers for scaling up activities

Biosolutions Zealand

Vouchers are offered for scaling up/demonstration of a solution within biosolutions under the Biosolutions Zealand II grant.

The voucher is a grant of up to DKK 250,000 per company. The grant is a subsidy, and the applicant company should self-finance an equivalent amount.

The vision of Biosolutions Zealand

Biosolutions Zealand aims to be an international business hub for sustainable bio-based solutions of the future. The hub has its center in Region Zealand, Denmark.

With Biosolutions Zealand, facilities for biorefining and fermentation have been established. These facilities, in combination with other Danish facilities in and outside Region Zealand, will make it possible to upscale and test ideas, products and solutions within biosolutions, and hereby demonstrate business cases, without having to find facilities outside the country or make major investments in own facilities.

About the funding

A grant of DKK 5 million has been allocated to support vouchers for scaling up activities. It is expected that 25 projects will be initiated and executed in the period 2024-2026. The funding is granted by the Danish Board of Business Development and originates from the European Regional Development Fund. The funds are administered by the Danish Business Authority under the rules of the regional fund. Eligibility rules can be found <u>here</u>.



The support in Biosolutions Zealand II is part of the <u>De minimis-regulation</u>. This means that a grant recipient may receive up to €300,000 over a period of three financial years (as of January 1, 2024), including the grant from Biosolutions Zealand. If this limit is exceeded, the European Commission may demand repayment of the grant including interest. Different limits apply to companies in primary production and fisheries/aquaculture – read more about this in the Guidelines.

The purpose of the scaling up vouchers

The purpose of the voucher scheme is to enable SMEs and startups with a solution in the biosolutions sector to scale up and test their solution, thereby demonstrating its potential to investors and customers without having to make significant investments in own facilities.





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Professional framework for Biosolutions Zealand

Biosolutions are defined as a business domain based on the utilization of biological raw materials and -systems for the development and production of enzymes, proteins, bacteria, and other bioactive substances for various applications. This can be achieved through fermentation or biorefining technologies, as well as cellular agriculture, which involves a combination of biotechnology, cell biology, biomedicine, molecular biology, and synthetic biology.

The scaling up vouchers can be used to purchase access to physical facilities, such as biorefining and/or fermentation. Here, the company can test, further develop, demonstrate and scale up its solution within biosolutions tailored to produce food or food ingredients, feed or feed ingredients, biological medicine, or dietary supplements, biofertilizers or biopesticides - and components for bioplastics, bio-based building materials, and more.

Requirements and frameworks for scaling up vouchers

We offer vouchers for the purchase of a testing, development, and scaling up activities at physical facilities with a Danish CVR number, providing biorefining, fermentation services or another technology relevant to biosolutions.

Requirements for the partnership

The applicant must be an SME or startup with a Danish CVR number.

If the voucher is applied for a specific facility, the company must conduct a tender procedure before submitting the application, see Guidelines. If the voucher is applied where a specific facility has not been pre-chosen, the company can apply for a voucher with an estimated budget and after the grant is given, get guidance on facility selection and tender procedure from the contact persons.

Clarification of the terms in cooperation with the facility supplier is the responsibility of the applicant company (e.g. negotiation of payment terms, data rights, IP rights, including confidentiality agreement).

Expected duration and end date

Grant applications can be submitted continuously via the website.

All activities related to the vouchers must be completed and reported no later than June 30, 2026.

Financing

The voucher is a subsidy that can cover 50% of the total cost of the activities at the physical facility(s). The voucher has a maximum of DKK 250,000 per company. The rest of the costs (min 50%) must be paid by the company itself.

Depending on the terms of payment at the chosen facility, the applicant company may have to hold the liquidity of the full amount to be paid, since the pay out of the grant can take up to one year.

Evaluation criteria

Applications are processed continuously.





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The evaluation process consists of two steps:

Step 1. Verification of eligibility requirements:

- The company is a Danish SME according to the EU's definition.
- The company can receive the subsidy in accordance with the state aid rules of the De Minimis Regulation (EU No. 1407/2013).
- The company is not in crisis (EU No 651/2014, Articles 2, 18).

If the company does not meet these eligibility requirements, a rejection to the application will be communicated, indicating the possibility of reapplication, and providing information on the option to appeal to the Danish Business Authority. If the company meets the eligibility requirements, the application process proceeds to step 2, where the company and the solution within biosolutions are assessed based on a set of criteria.

Step 2. Professional assessment according to the following criteria:

• Purpose and business potential of the application:

- To what extent does the application fit with the professional framework of Biosolutions Zealand?
- Does the selected facility(s) meet the company's needs, or can other facilities be suggested?
- To what extent is the application based on specific market needs and/or potentials within biosolutions?
- To what extent is the application considered to have economic potential?
- Does the company have market understanding and contact with potential customers/clients?
- Would the allocation of a voucher have a crucial impact on the company's ability to test, further develop/adapt, and demonstrate their biosolutions product to potential customers?
- Company's organisational and financial capacity:
 - Is the applicant company assessed to have the necessary competencies for the implementation of the proposed solution and subsequently introducing it to the market?
 - Would the allocation of a voucher have a crucial impact on the company's ability to demonstrate their business potential to potential investors?
- Sustainability in the application:
 - To what extent is the solution in the application assessed to contribute to the Structural Funds' objective of promoting sustainable development for climate and environment?

Specific targets related to Region Zealand

It is a requirement from the Danish Business Authority that at least 20% of the funds must be allocated to companies with a CVR number in Region Zealand. In addition to the above-mentioned evaluation criteria, this will be considered in the allocation of vouchers.

Information obligation and payout time

If receiving a grant, it is important to note the following:

The obligation to provide information

With this type of grants from regional funds comes an obligation to inform the public about the





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received support, e.g. on your website or social media, and to include the relevant logos in all communication material (including email signatures). Read more about the information obligation at Erhvervsstyrelsen's website.

Payout time

Grant payments are made twice a year and can happen up to six months after submission of the reporting for a six-month period. This means that the first payment can potentially be made up to a year after the activities begin. Grants are not paid out in advance.

Application and approval process

SMEs, including entrepreneurial businesses, from all over Denmark can apply for a voucher. An SME has fewer than 250 employees and an annual turnover of less than 50 million EUR. See the definition of an SME here: User guide for the definition of SMEs. The company must have a registered Danish CVR number.

Applications are accepted and evaluated continuously.

The applicant company is required to fill out the **Declaration on de minimis** as well as the Declaration on SME status.

If the voucher is applied for activities at a specific facility, the company must conduct a tender procedure where offers are recieved from at least two facilities, and these offers must be attached to the application.

If the voucher is applied for activities at a non-pre-selected facility, the company can apply for a voucher and receive guidance from the contact persons on selecting the right facility and making the tender procedure

Application and attachments are submitted electronically via the link below:

https://podio.com/webforms/29367957/2408067

See a guide on how to fill out the application and budget form below under Guidelines.

Applications are processed by an evaluation panel consisting of employees from Erhvervshus Sjælland, Knowledge Hub Zealand, and Food & Bio Cluster Denmark. The evaluation panel reviews the applications while considering general administrative law rules on impartiality. The evaluation panel provide recommendations with a rating to the approval panel consisting of the Biosolution Zealand management team.

Applicants will receive a response within four weeks of submitting their application. The granted company will be assigned at least one contact person who will assist in the further process. The contact person can help the company in identifying the right facilities for the task. The company must then conduct a tender procedure, where offers must be obtained from at least two suppliers (facilities), see the template below for tender procedure.

The work and activities that the voucher is intended to co-finance, **cannot begin before**:





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- A tender procedure has been completed, the offers obtained have been uploaded to Food & Bio Cluster Denmark and a facility has been selected.
- A written grant approval is received by the company.
- An introduction meeting has been held with the contact person.

Applications that score high enough on the evaluation criteria are being accepted on a first come first serve basis. Therefore, we encourage applications to be send in as soon as possible.

Contact

Responsible for the Biosolutions Zealand Vouchers:

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You are also welcome to contact:

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Guidelines for application

The applicant

The applicant must be an SME or entrepreneurial company. An SME has fewer than 250 employees and an annual turnover of less than EUR 50 million. See the definition of an SME here: <u>Brugervejledning til definitionen af SMVer</u>.

Activities – what is eligible and what is not?

The voucher can be used to co-finance a test, development, and scale up process at one or more physical facility(s) offering biorefining or/and fermentation. The facilities must have a Danish CVR number.

The voucher can only be used for testing, development, and scaling up activities, including simulation of processes, necessary materials, assistance from technicians, laboratory analyses, consultation on methods, protocols, and results, as well as data collection and data processing.

There must be no established sales of the solution to be tested, developed, or scaled up. Sales of the solution is also prohibited during the period the grant is given. In such cases, the grant will be cancelled from the point of sales and onwards.

The voucher may not be used for commercial activities such as marketing and sales, business development, and distribution. The funds cannot be used for the preparation of applications for regulatory approval, such as food safety or patents. However, it is allowed to investigate whether specific conditions may impact the development of the solution. The daily business operations, including activities such as job interviews, board management, administration, logistics, website management, etc., are not eligible activities.

The company must either before submitting the application or no later than after receiving verbal approval for the voucher, conduct a tender procedure where offers are obtained from a minimum of two suppliers (facilities), see the template for tender procedure below. Work and activities that the voucher is intended to co-finance cannot begin before a tender procedure has been completed, a facility has been chosen, the obtained offers have been submitted to Food & Bio Cluster Denmark, a written grant approval is received, and an introduction meeting has been held with the Biosolutions Zealand contact person.

Special rules if work in primary production or in fisheries and aqua culture

All businesses that grow/harvest/catch are included in the definition of 'primary producer'. This definition is independent of the possibility of receiving agricultural, hectare or other public support. The status as a primary producer will need to be determined based on industry code, company purpose and operations.







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Work with seaweed and algae <u>at the primary producer</u>, which is in addition to harvesting, e.g. cleaning, filtering and processing, are defined as "fisheries and aquaculture", which limits the support that can be granted to this type of business (see below). Processing, including cleaning, filtering and other processing <u>in the refining stage</u>, can be supported under the general De minimis rules, i.e. with a limit of EUR 300,000.

A company that only produces tools, equipment, including machinery - is not covered by the the definition of fisheries and aquaculture or primary producer, regardless of what the products are for. For example, the production of machinery for harvesting seaweed or for arable farming; in this case, a company whose sole purpose is to produce machinery would **not** be defined as either "primary producer" or "fisheries and aquaculture".

A business can be covered by both definitions, being both a primary producer and covered by "fisheries and aquaculture" - this would be a business that has e.g. farming, fishing and processing of fish as its purpose.

Primary producer

The voucher can be granted under the De minimis rules that apply to companies in the agricultural sector. This means that the total amount of received financial support to each company may not exceed EUR 20,000 over a period of three financial years.

When applying, the company must complete, sign and date a "De minimis declaration for the agricultural sector". In addition, the amount must be reported to the Danish Agricultural Agency.

Companies from the primary sector can participate in projects if the project involves collaboration between these companies and companies from other sectors. The primary sector cannot be the focus of the initiative and companies from the primary sector cannot be the sole target group for the initiatives1.

Primary sector participation can be relevant when developing new solutions, technology, machinery etc. for agriculture, or where primary production provides input for the development of new solutions. However, primary producers must not be the only customers for the product/concept/solution afterwards - in that case, it is important that there are also end customers in e.g. agro industry or other industries.

Fisheries and aquaculture

The voucher can be granted under the De minimis rules, which apply to companies in the fisheries and aquaculture sector, which means that the total of received financial support to each company may not exceed EUR 30,000 over a period of three financial years.

When applying, the company must complete, sign and date a "Declaration on De minimis in the fisheries and

aquaculture sector". In addition, the amount must be reported to the Danish Agricultural Agency.

¹ <u>Veiledning om støtteberettigelse (erhvervsstyrelsen.dk)</u> page 8.





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Contact Food & Bio Cluster Denmark for more information on this matter.

Correct completion and submission of the application form

The following documents should be completed and submitted when applying:

- > **Application form** including the budget. If the facility (supplier) has not been selected at the time of application, an estimated budget should be included.
- Offers from a minimum of two facilities if the facility (supplier) is known at the time of application.
- > Declaration of De Minimis for the applicant company.
- > **Declaration of SME** status for the applicant company.

In the application form, you will be asked to describe:

- > The overall purpose with the solution and activities. What is the need for involving external facilities? How should the facilities contribute?
- > Expected results.
- The market potential, as well as the business case and the plan for long-term market introduction (after completing the activities granted by the voucher).
- > Applicant company and team.
- > The solution's contribution to sustainable development.
- The solution's contribution to Biosolutions Zealand's further strategic development i.e. how does the solution help build the Danish biosolution's position.

Orient thoroughly with the evaluation criteria.

Ensure that you complete the application form briefly, precisely, and within the allowed character limit. Try to avoid using too much text on the description of generic and well-known issues and keep the description specific to the solution.

The application form is available both in Danish and English and both languages may be used in writing the application.

Application and attachments should be submitted via the link below:

https://podio.com/webforms/29367957/2408067

The voucher can finance 50% of the total cost of the activities at the physical facility(s), up to a maximum of DKK 250,000 per company. The remaining expenses must be covered by the company itself.

The applicant company must cover the full amount for the activities upfront and should be aware that it may take up to a year before the subsidy amount can be disbursed.







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Completion of the De Minimis Declaration

Since the vouchers from Biosolutions Zealand are public funds, it undergoes state aid. Receiving the voucher is therefore only possible through the De Minimis rules. The SMEs MUST therefore include a De Minimis declaration when the voucher is applied for.

It should be stated whether the company has benefited from De Minimis funding during the current and the two preceding years. De Minimis funding must be included from the date of each grant approval, regardless of whether the payment is made later.

Companies can obtain a maximum of €300,000 in any period of three financial years (as of January 1st, 2024), which includes the current year and the previous two years.

When filling out the De Minimis declaration, please note the following:

All information on page 1 must be provided:

Fill in Company name, CVR, P-number and Project title: "Biosolutions Zealand II Innovation og Skalering".

All fields on page 2 must be provided:

- I/we declare: In this financial year and the two previous financial years to have received: Enter here the total amount granted to the company within the three years in question. You should not include what you apply for in Biosolutions Zealand as this has not been granted yet.
- Below you will find out in which projects you have received the grants. If you have received from more than two projects, please enclose an appendix with all information.
- > Remember to fill in the fields with a "0" if no De Minimis funding has been received so far.
- Signature and date MUST be written by hand.
- > **NOTE:** If you are **a primary producer**, you must fill out a special De minimis declaration, the same applies if you work in **fisheries and aquaculture**, **including seaweed and algae**.

Under the rules of De Minimis funding, a company in the agricultural sector (primary producer) can receive up to EUR 20,000 as De Minimis funding over a period of 3 financial years.

The rules of De Minimis funding mean that a company in the fisheries and aquaculture sector can receive up to EUR 30,000 as De Minimis funding over a period of 3 financial years.

Contact Food & Bio Cluster Denmark for further information.

Completion of the SME status Declaration

The applicant must complete a declaration that they have SME status when applying. Remember again **the date and signature in hand** of the person entitled to sign on behalf of the company.











Tender procedure

The task description for the tender procedure before choosing a supplier should include the following points and text:

General information

Title of the tender: Name: Address: CVR no.: Date: Deadline for offers: Questions and offers should be directed to: Phone number and e-mail:

Presentation of the company

Here, the company is described briefly. Refer to the website if needed.

Description of the task under tender procedure

Here, a detailed and precise description of the task that the company is requesting offers for.

The objectives and success criteria of the task

Here it is described what the goal of the task's solution is and how it is measured/ensured that the task can be solved.

Budget and offer specification

We expect the written offer to contain at least:

- A brief presentation of the offering companies, including the CVR number and contact information. Possibly also with references and history.
- Offers' proposal for solving the task.
- Indication of the price for solving the task.
- Expected time schedule. The task must be completed no later than 30/6-2026.
- If any discounts
- If any prerequisites for the offer.

Background for the tender

The company must show good and sound financial management, including documentation for that the agreed price for external purchases reflects the actual market price. Therefore, a tender procedure is being conducted.

We emphasize that facilities (suppliers) may only submit an offer for the requested services and activities.

The final choice of facility (supplier) is done by the company applying for or receiving the voucher based on an assessment of fit, price and quality.





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