



BASIS FOR THE 2025 AID CALL FOR THE
DEVELOPMENT OF STARTUPS IN THE FIELD OF
DEEPTECH

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1 INTRODUCTION

Fundación Deeptek GIPUZKOA Fundazioa is a permanent foundation governed by Law 9/2016, of 2 June, of Fundaciones del País Vasco and other regulations in force. It is a non-profit-making organisation which has the following objectives:

1. To contribute to the development of the deeptech field in Gipuzkoa, based on quality research in the field of Deep Tech disciplines and the impulse of its translation into results
2. Fostering a culture that promotes excellence in research, creativity, new knowledge generation, technology transfer, innovation and enterprise development
3. Encourage entrepreneurial initiative in the field of deeptech, through funding.

Within the framework of the fulfilment of these objectives, the Foundation, through the impetus of the Provincial Council of Gipuzkoa and Kutxa Fundazioa, has decided to promote a financial instrument to support business projects in the deeptech sector, so that the companies that benefit from it can evolve and mature enough to attract them, within an estimated period of two years, their activities can better compete in the market and accelerate their private growth.

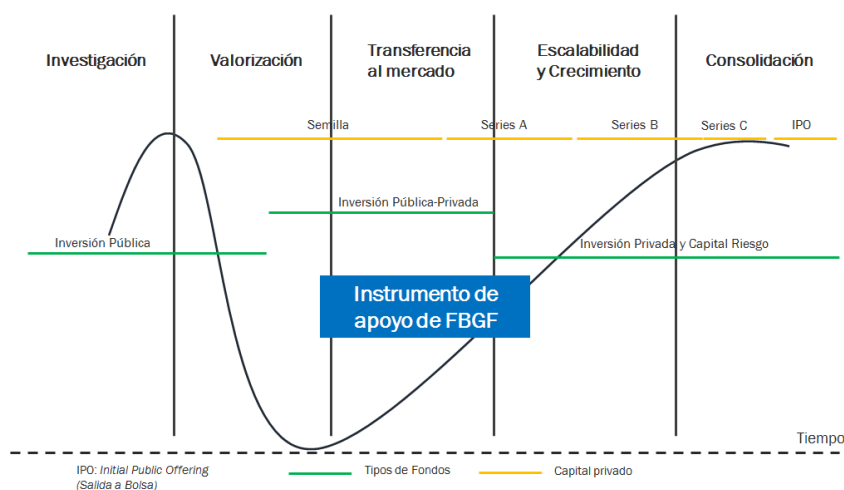
The importance of the Deep tech sector in a competitive and knowledge-based economy is becoming increasingly relevant given its transversality. Aspects such as quantum computing, the development of new materials, artificial intelligence and advanced algorithms applied to strategic sectors, robotics, new therapeutic mechanisms, diagnostic tools, industrial production processes based on biotechnology, new medical equipment or ICT tools, clean energies and technologies applied to the field of deeptech.

Currently, in Gipuzkoa some initiatives have been implemented, such as those managed from the entrepreneurship program of BIC Gipuzkoa and supported by the Provincial Council of Gipuzkoa, to promote the transfer of knowledge from research centers to the private sector and to promote the establishment of new business initiatives. Once established, however, the development of innovative high-intensity companies such as those belonging to the application sectors (health, quantum, mobility, cybersecurity, among others) usually requires significant initial investments and long maturation periods before these companies have developed sufficiently to be attractive from the point of view of the private investor and to undertake the large investments required for their market introduction.

The objective of this aid call is precisely to address the existing gap in financing that these companies suffer between the start of activity and the development of larger rounds of financing led by private investors.

Programa de Financiación de Proyectos

Descripción del instrumento. Encaje en el ciclo de vida de los proyectos.



To address this challenge, the DeepTek Gipuzkoa foundation has decided to promote the development of a financial instrument with the following characteristics:

1. Support will be directed to business projects **in the product/service development phase of the TRL 4-6 phase.**
2. Typology of eligible projects shall be as follows:
 - a. *Medical devices and devices*: Prototype development projects with at least a conceptual design.
 - b. *Biopharmaceutical projects*: Projects with results obtained in initial laboratory experiments (therapies).
 - c. *Deep Tech technologies*: knowledge available and with the need to evaluate market potential and industry interest. These include, for example, artificial intelligence, algorithms, quantum computing, databases, software, ICT applications, with applications to certain strategic areas (biomedicine, mobility, energy, health, cybersecurity...).
 - d. Other technological developments with market potential.
3. The conditions for the aid shall be as follows:
 - a. Type of aid: up to EUR 350,000
 - b. Lead time of 2 years
 - c. Type of aid: convertible equity loan
 - d. Interest rate: Euribor + 0%
 - e. Refund period: 10 years
4. Supported projects shall undertake to:
 - a. Comply with project development as set out in the aid application and as set out in the technical report to be part of the financing agreement.
 - b. Prepare the reporting and follow-up reports for the project in accordance with the provisions of the financing agreement.
 - c. Preparation of the following obligatory deliverables, as finally included in the financing agreement: Business plan, IP (intellectual property) plan, technological and regulatory development plan

Aid applications will be subject to a two-stage evaluation process: the project submitted from a technical point of view will be analysed in a first phase. In a second phase, a financial and business model analysis will be carried out. If approved, the Foundation shall issue a resolution setting out the final amount of aid and the conditions thereof.

In order for the project to be finally financed, applicants shall undertake to sign a financing agreement between the Foundation and the legal entity benefiting from the assistance and responsible for the implementation of the project. The maximum duration of implementation of the project shall initially be a maximum of two years.

2 PURPOSE OF THE CALL

2.1 SCOPE OF THE CALL

Any undertaking qualified as an SME under the 2003 EU Recommendation that develops or is to carry out its activity in the¹ field of or from the territory of Gipuzkoa may participate in this call.

¹ <http://eur-lex.europa.eu/legal-content/ES/TXT/HTML/?uri=CELEX:32003H0361&from=ES>

2.2 BENEFICIARIES

Legally incorporated companies, having their registered office in Gipuzkoa and carrying out their R & D & I activities in the province of Gipuzkoa at the time of the signing of the financing agreement.

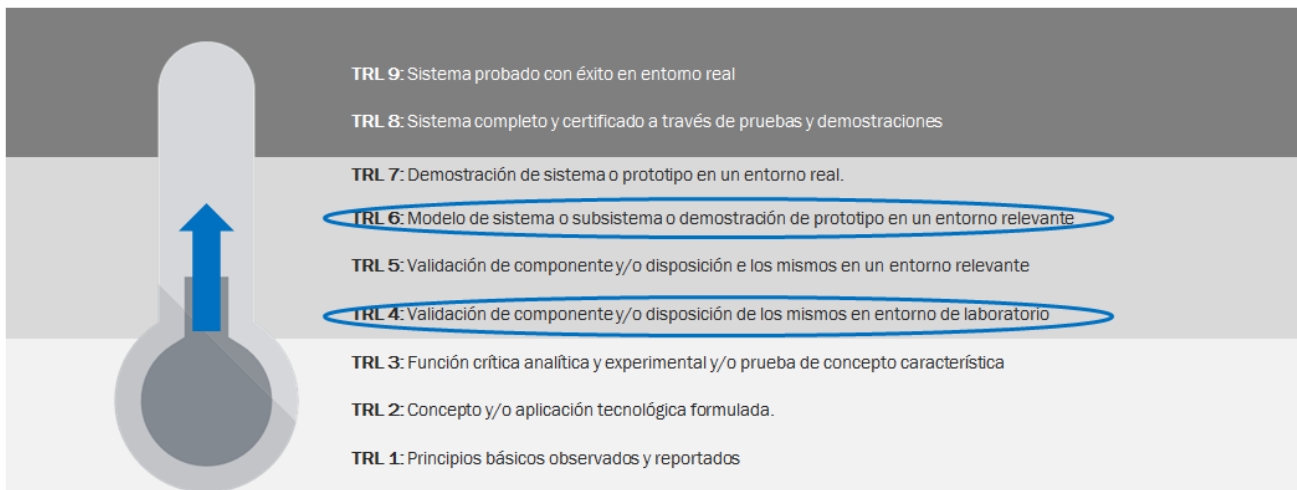
2.3 TYPOLOGY OF PROJECTS

This call aims to finance R & D intensive business projects and whose research is at a relatively early stage (from the point of view of the degree of maturity of the technologies would be projects at level of development of TRL4, although higher *Technology Readiness Levels are not excluded*).

Programa de Financiación de Proyectos

Descripción del instrumento. ¿Qué proyectos se financiarán?

Los **niveles de madurez de la tecnología**, más conocidos por sus siglas inglesas originarias **TRLs o Technology Readiness Levels**, permiten **medir el grado o nivel de innovación que presenta un proyecto determinado**. Se consideran 9 niveles que se extienden desde los principios básicos de la nueva tecnología hasta llegar a sus pruebas con éxito en un entorno real.



Fuente: Elaboración propia. Conceptos tomados de THE EU FRAMEWORK PROGRAMME FOR RESEARCH AND INNOVATION

2.4 TYPOLOGY OF ELIGIBLE ACTIONS

The financing associated with this call is mainly intended for the technological development of the company. In this context, the eligible expenditure for these projects shall be as follows:

1. Staff costs:

- Full wage cost (including IRPF and SS) of workers directly involved in project development.
- Both newly recruited staff and staff already hired in the company are supported.
- Adding new talent that adds value to the company (PhDs, staff with proven experience in the technologies or markets targeted by the project) will be welcomed in the evaluation of the project.

2. Consumables and Equipment

- In general, the purchase of equipment shall not be regarded as eligible expenditure. Only if the applicant demonstrates the relevance of the equipment and its relevance to the development of the project can these costs be taken into account.
- Any type of fungible applicable to the project may be considered as eligible expenditure, such as: Laboratory material, components, reagents, etc.

- c. The total amount of fungible which may be financed shall not exceed EUR 100,000.

3. Subcontracting:

- a. Costs related to the implementation of the project may be subcontracted, provided that they are relevant to achieving the proposed technological objectives.
- b. Part of the subcontracting costs may be used for the preparation of project deliverables and, in particular, for the development of a business plan, a IP plan and technological and regulatory development that are obligatory deliverables for projects.

Expenditure not mentioned in the preceding paragraphs shall not be taken into account for the development of projects. In particular, indirect costs will not be financed.

2.5 ARRANGEMENTS FOR PARTICIPATION

All the aforementioned actions will be articulated through the formula of Individual Project. This is understood as the action taken by a single entity, which is any of the beneficiaries mentioned in paragraph 3.2 of these bases. These projects may, in any case, be subject to subcontracting, under the conditions set out in this order of bases, in such a way as to contribute to the successful development by the beneficiary of the activities set out in paragraph 3.4.

3 SCOPE OF THE FOUNDATION'S CONTRIBUTIONS

3.1 FINANCING

The cost associated with the development of the projects can be broadly financed up to 70%, with a total maximum for each approved project of EUR 350,000.

As a general rule, the funding granted to each approved project shall be distributed as follows:

- 80% of the total granted at the time of signature of the financing agreement.
- 10% of the total approved contribution will be distributed in accordance with the specific financing agreement, linked to the approval of the project follow-up reports and the validation by the evaluators of the project deliverables.
- In any case, 10% of the approved contribution will be released upon completion of the project and compliance with the conditions included in the financing agreement verified.

The final amount of financing shall be adjusted by the Foundation on the basis of actual expenditure incurred by the project and properly justified by the beneficiary.

3.2 FINANCIAL CONDITIONS OF FINANCING.

In general, the aid provided have the following characteristics:

- Convertible equity loan with a maximum of EUR 350,000.
- The period of repayment of the loan shall not exceed 10 years,
- The interest rate on loans shall be EURIBOR at 1 year.

Although these will be the general conditions for financing, in any case, the Foundation reserves the right to modify the above conditions if the projects present singularities that recommend specific modifications to this financing scheme. In any event, the final conditions shall be laid down in the financing agreement and shall be available to the beneficiaries prior to the acceptance of the financing.

The financing agreement to be signed between the Foundation and the beneficiary shall establish a contract with the terms of the loan.

4 REQUIREMENTS FOR FUNDED PROJECTS

4.1 DEADLINE FOR IMPLEMENTATION

The projects described in the approved aid applications, will have a maximum implementation period of two years. The implementation period starts from the first working day of the month following the signing of the financing agreement.

Deeptek Gipuzkoa may, on an exceptional basis, grant an extension of implementation to projects which have provided sufficient justification for the need to extend the implementation to the project. The extension shall be granted in full discretion and the decision of the Foundation on whether or not to grant the extension shall not be appealed under any circumstances. In any event, the period of extension of the implementation of the project may not exceed one year.

4.2 COMMITMENTS OF APPLICANTS AND THEIR HOST INSTITUTIONS

Applicants for aid under this call must undertake prior to accepting the following conditions in order to qualify as beneficiaries:

1. Applicants and their institutions expressly agree that non-confidential project information should be published in an online project repository that the Foundation will set up as a window for the information of third parties of innovative projects participating in this call.
2. Signature of the financing agreement with the foundation within 1 month of communication of the positive resolution of the project.
3. Compliance with the terms of the financing agreement. All projects undertake to develop the following mandatory deliverables:
 - D.1: 5 Year Business Plan, Technological and Regulatory Development Plan
 - D.2: IP (intellectual property) plan, including, if necessary, an FTO (Freedom-to-Operate) study of the project technologies.
4. In the event that the beneficiary does not comply with the development of the deliverables referred to in the previous point, this could lead to the failure to release the final payment of the project and, where appropriate, to the requirement that the amounts unduly received be returned.

5 SUBMISSION OF APPLICATIONS

5.1 DEADLINE

The time limit for the submission of applications shall be open on an uninterrupted basis and applications for aid may be submitted at any time through the electronic system that the Foundation empowers to do so.

5.2 DOCUMENTATION REQUIRED

The mandatory documentation to be submitted in order to qualify as a beneficiary is as follows:

- Written acceptance of conditions, signed by the principal researcher of the project and the legal representative or person with sufficient power of the institution with which he or she is working.
- Electronic application form, with the main project information. Available by email to info@deeptek.eus
- Curriculum Vitae of researchers involved in the project.
- Powers of the signatory.
- CIF of the company.
- Annual accounts (preferably audited) of the company.

In addition, the projects may provide the following documents (non-mandatory to qualify as a beneficiary, but valuable in particular in the evaluation process, see point 7.2.):

- Information on the status of industrial property of the project (patents applied for the technologies involved in the project and/or freedom to operate studies).
- Economic and business feasibility studies of the project.
- Technological development plans.

6 EVALUATION PROCESS

6.1 DEADLINES FOR EVALUATION AND RESOLUTION

Like the deadline for submission of applications, the deadline for evaluation of projects will be open on an uninterrupted basis. The maximum project evaluation period shall be 3 months.

The time limit for the signature of the financing agreements shall be a maximum of one month from the communication of the approval of the project. If the financing agreement cannot be signed for reasons outside the Foundation (e.g. lack of signature of the legal representative of the applicant institution), the project shall not be financed.

6.2 EVALUATION CRITERIA.

Five evaluation criteria are established for projects:

1. Scientific-technological level
2. Impact.
3. Analysis of industrial property situation
4. Team
5. Weighting criteria

Each of these criteria may have a maximum score of 10 points, for a maximum of 50 points.

6.2.1 SCIENTIFIC AND TECHNOLOGICAL LEVEL

Maximum 10 points. In this section, evaluators shall take into account the following aspects:

- **Relevance and novelty of the proposed project:** Differential of technology with respect to current state of art, innovative potential of the project, etc.
- **Feasibility of the work plan:** The working approach included in the proposal and its relevance to the project theme will be analysed.
- **Adequacy of the requested budget to the objectives pursued:** The appropriateness of the resources provided and requested and which will be used for the development of the work plan will be assessed.

6.2.2 IMPACT.

Maximum 10 points. The following points will be assessed:

- **Market to which the project is directed:** Identification of business opportunity, preliminary assessment of market size, barriers to market access, competition, etc.
- **Distance to market and economic viability:** Explanations of the maturation process necessary for the project to reach the market or be licensed to third parties shall be evaluated.
- **Benefit for the DeepTech sector of Gipuzkoa:** the tractor nature of the projects for the sector in the region will be assessed.

6.2.3 ANALYSIS OF INDUSTRIAL PROPERTY

Maximum 10 points.

Projects must justify the feasibility of industrial protection of technologies associated with it. Failing that, applications should justify the non-necessity/possibility of industrial protection and how the project is to be valued. Assessment of patents applied for and/or granted, if any.

6.2.4 PROJECT TEAM

Maximum 10 points.

The team involved in the project will be analysed in detail and the demonstrated capabilities of the project and the suitability of the entrepreneur team to the objectives set out in the project will be evaluated in particular.

6.2.5 WEIGHTING CRITERIA

Maximum 10 points.

The objective of this section is to improve the evaluation of those projects that have the most advanced project development at the time of application.

In the light of the above, requests which, at the time of the application, can demonstrate some of the following achievements may obtain up to 10 additional points in the evaluation of the project:

- Projects which have already been developed at the time of application by one of the obligatory deliverables.
- Projects that have received more than 12 in other programmes such as the EU SME Instrument)
- Projects that have signed co-development agreements with other companies, for which they will receive in future payments for achievement of objectives (milestones) or any other type of remuneration for the development and marketing of products related to the project technologies.
- Projects which have made their first licence, which have had a first private investment, etc.

Projects which do not have one of the deliverables will only be eligible for a maximum score of 40 points out of 50.

6.3 EVALUATION THRESHOLDS

In order for applications to be approved for funding, **it is necessary to obtain a minimum of 5 points** in the following evaluation criteria:

1. Scientific-technological level.
2. Impact.
3. Analysis of industrial property situation.
4. Team.

If the application does not reach at least 5 points in one of these criteria, the application will be dismissed.

7 SIGNATURE OF THE FINANCING CONTRACT

The model financing agreement shall be unique and may not be amended. Concurrence to this call implies that the applicant accepts the terms of the agreement.

The signing of the financing agreement will be a prerequisite for obtaining funding. If the signature of the agreement cannot be reached within one month of the official notification of approval to the applicant, for reasons beyond the foundation, it shall lead to the loss of beneficiary status, and the next project best valued by the evaluation committee shall be financed.

8 MISCELLANEOUS

- These project support bases may be updated by the Foundation. Any update thereof shall be effective only from the period of assessment of applications immediately following the publication of the amended basis.
- On an annual basis, the Foundation shall make public the budget available for this financial year to finance the actions described in paragraph 3.3. of these bases.
- In any case, the provisions of these bases will comply with the existing rules governing grants or financing. In the event of a contradiction, the provisions of the existing legislation shall prevail.

9 CONFIDENTIALITY AND DATA PROTECTION

All data relating to the entities and projects submitted to the call shall be treated with absolute confidentiality, both as regards the objectives of the projects and the specific contents of each of them.

However, the information of a descriptive and non-confidential nature of the project can be used to promote it, with the aim of contributing to its valorization.

The personal data of representatives, researchers or any other natural person listed in the application documents shall be entered in the Foundation's database and shall only be used for the evaluation of the proposals.

The mere participation in the call implies acceptance of this term, which should be notified by the applicant entities to each and every person included in the application, regardless of their status within it.

The owner of the personal data may exercise his/her rights of access, rectification, cancellation and opposition in accordance with the data protection rules before the Foundation.