

Eligibility criteria for the Innovation and Digitalisation Product

No.	Criteria
1.	<u>Innovation criteria:</u>
1	The FR should use the transaction to: (1) to invest in the production, developing or implementing new or substantially improved: (i) products, processes or services, or (ii) production or delivery methods, or (iii) organisational or process innovation including business models that are innovative and where there is a risk of technological or industrial or business failure, as evidenced by an evaluation carried out by an external expert, or (2) primarily finance investments in intangible assets (including intellectual property), in particular where the Credit and Collection Policies do not attribute a collateral value to such assets.
2	is a 'fast-growing enterprise', which is a Final Recipient operating in a market for less than 10 years following its first commercial sale and with an average annualised endogenous growth in employees or in turnover greater than 20% a year, over a three-year period, and with ten or more employees at the beginning of the observation period.
3	have significant innovation potential, or
3.1.	be an "R&I-intensive enterprise", by satisfying at least one of the following conditions: the Final Recipient's R&I annual expenses are equal or exceed 20% of the Final Recipient Transaction amount as per the Final Recipient's latest statutory financial statements, under the condition that the Final Recipient's declares to increase its R&I expenses for an amount at least equal to the Final Recipient Transaction amount;
3.2.	the Final Recipient undertakes to spend an amount at least equal to 80% of the Final Recipient Transaction amount on R&I activities as indicated in its business plan And the remainder on costs necessary to enable such activities
3.3.	the Final Recipient has been formally awarded grants, loans or guarantees from European R&I support schemes or through their funding instruments over the last thirty-six (36) months provided that the Transaction does not cover the same expenses
3.4.	in the last 36 months, the FR has been awarded a Research and Development or Innovation prize provided by an EU institution or an EU body.
3.5.	has registered at least one technology right (such as patent, utility model, design right, topography of semiconductor products, supplementary protection certificate for medicinal products or other products for which such supplementary protection certificates may be obtained, plant breeder's certificate or software copyright) in the last thirty-six (36) months, and the Final Recipient Transaction purpose is to enable, directly or indirectly, the use of this technology right
3.6.	the Final Recipient has received an investment over the last thirty- six (36) months from a venture capital investor or from a business angel being a member of a business angels network; or such venture capital investor or business angel is a shareholder of the Final Recipient at the time of the Final Recipient's application for the Final Recipient Transaction;
3.7.	the Final Recipient requires a risk finance investment which, based on a business plan prepared in view of entering a new product or geographical market, is higher than 50% of its average annual turnover in the preceding 5 years;
3.8.	the Final Recipient's R&I costs represent at least 10% of its total operating costs in at least one of the three years preceding the Final Recipient's application for the Final Recipient Transaction, or in the case of an enterprise without any financial history, as per its current financial statements
3.9.	the Final Recipient is a Small Mid-Cap and its R&I costs represent: (a) either, at least 15% of its total operating costs in at least one of the three years preceding the Final Recipient's application for the Final Recipient Transaction; or (b) at least 10% per year of its total operating costs in the three years preceding the Final Recipient's application for the Final Recipient Transaction;
3.10.	the Final Recipient has incurred R&I expenses qualified in the past thirty-six (36) months as part of general support measures approved by the Commission and designed to incentivize companies to invest in R&I, provided that (a) Transaction covers incremental expenditure as indicated in the Final Recipient's business plan, and (b) Transaction is not covering the same eligible costs already supported by aforementioned measures
3.11.	the Final Recipient has been designated in the past thirty-six (36) months as an innovative company by an EU Institution or body and can be verified by the Intermediary and the purpose of the Final Recipient Transaction is to maintain or further develop the business activity of the Final Recipient

II.	<i>Digitalisation (Digitalisation) criteria:</i>
1	The FR declares to use the financing transaction for at least one of the following purposes:
1.1.	Innovative business models: Development of new business models through adoption and integration of digital technologies, e.g. servitisation (adding services to products or even replacing a product with a service).
1.2.	Supply chain management: Introducing or enhancing digitalization in supply chain management, including but not limited to business data sharing, inventory management and condition monitoring, interaction with suppliers, enhancing services and participation in integrated supply chains with business partners.
1.3.	Product/service innovations: Enhancing existing products or services by making use of, or by integrating digital technologies into products and services and/or by adopting or integrating digital technologies to develop new products and services, including transition to carbon neutrality.
1.4.	Customer relationships: Integrating or making use of digital technologies in customer relationship management, including enhanced customer feedback systems or delivery capabilities.
1.5.	Business development: Business development and customer acquisition, via expansion to new markets, geographies or customers based on adoption or integration of digital technologies.
1.6.	Cybersecurity/data protection: Increasing security of data or business resilience against threats of cyberattacks, data protection and privacy.
1.7.	Internal processes: Improvements to business processes through the integration of innovative deep technologies (such as artificial intelligence, blockchain, drones and robotics, biotechnology, photonics, electronics advanced materials and quantum computing), in the operations of the Final Recipient.
1.8.	Digitals skills, training and upskilling: Training and upskilling in digital skills of existing workers and employees, recruitment of new workers with digital skills and development of management and business skills in a digital world.
1.9.	Digitalisation enterprises: Support to service providers that enable and support companies in the digitalization of value chains, as long as these service providers focus predominantly on the provision and adoption of digital products and services.