Guidelines

INVESTMENT ROUND

EIT InnoEnergy Innovation Projects

Doc.: IR 2019 - 2021 Annex 15
<table>
<thead>
<tr>
<th>REVISION</th>
<th>DESCRIPTION</th>
<th>DATE</th>
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<tr>
<td>1.0</td>
<td>Initial version</td>
<td>24/1/2017</td>
</tr>
<tr>
<td>2.0</td>
<td>Amendment IR2018</td>
<td>20/2/2018</td>
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<td>3.0</td>
<td>Amendment IR2019</td>
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1. Introduction

Why guidelines?
These guidelines serve primarily to assist those willing to submit an innovation project proposal to the EIT InnoEnergy Investment Round. Secondly, they serve as guidance to those committees assessing the submitted proposals. These guidelines are intended to provide support in two different phases of the project lifetime. Submission of the project proposal (chapter 2 of these guidelines) and development of WPO-feasibility study (chapter 3 of these guidelines) once the project has been selected by EIT InnoEnergy.

Why two phases?
The WPO – feasibility study is a comprehensive analysis, covering different aspects that need to address at least the requirements mentioned in chapter 3 of these guidelines.

Out of this comprehensive analysis, a small subset of questions is selected for the proposal phase (see Section 7 - Business Development in the proposal template). Only those questions that are essential for the assessment of the proposal are included.

During the feasibility study phase, those answers already provided at the submission, shall be reassessed by performing a deeper analysis, to the extent such deeper analysis was not already required during the proposal phase.

The following table provides an overview of the questions included in each phase. This overview also indicates whether such questions may be answered in the proposal based on a basic analysis, or that such questions need to be answered based on a deeper analysis.
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<th></th>
<th>Proposal</th>
<th>WPO</th>
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<td>2.2 Describe the value chain related to your product/service. Are the different players available and connected?</td>
<td>X</td>
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<td></td>
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<td>3.1 Current market size and growth in next 5 years</td>
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<td>3.2 Market structure and market share (%)</td>
<td>X</td>
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<td></td>
<td>3.3 Market trends (5 years period) and % of growth (by technology and geography)</td>
<td>X</td>
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<tr>
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<td>3.4 How large will be the Total Addressable Market (TAM) be in the following 5 years?</td>
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<td></td>
<td>3.5 Who are your customers and what are their characteristics? Customer analysis</td>
<td>X</td>
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<td>X</td>
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<td>3.7 Which market segments do you identify? Which market segments do you target?</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>Competitive analysis</td>
<td></td>
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<td></td>
<td>3.8 Are there similar products in the market? Please specify your competitive advantage.</td>
<td>X</td>
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<td></td>
<td>3.9 Which are the key players (competitors) in the different market segments?</td>
<td>X</td>
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<td>X</td>
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<td></td>
<td>3.12 Define the positioning mapping according to the variables that differentiate yourself from competitors and that are valuable for your customers</td>
<td>X</td>
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<tr>
<td></td>
<td>3.13 Threat of substitute products/services x.14 Threat of new entrants. Are you aware about other similar products under development?</td>
<td>X</td>
</tr>
<tr>
<td>4</td>
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<td></td>
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<tr>
<td></td>
<td>4.1 Why will the customer buy your solution and what will be sacrificed?</td>
<td>B</td>
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<tr>
<td></td>
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<td>X</td>
</tr>
<tr>
<td>5</td>
<td>Product / Service definition</td>
<td></td>
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<tr>
<td></td>
<td>5.1 Specify and quantify the characteristics and attributes of the product/service to be developed in terms of cost, performance, efficiency, etc.</td>
<td>B</td>
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<tr>
<td></td>
<td>5.2 What is innovative about the product/service? What are the differentiating features of my product/service? To what extent is it unique?</td>
<td>X</td>
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<tr>
<td></td>
<td>5.3 What will be the state of development of the product at the end of the project?</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>5.4 Proposed technology solution for product or service?</td>
<td>B</td>
</tr>
<tr>
<td>6</td>
<td>IPR Protection</td>
<td></td>
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<tr>
<td></td>
<td>6.1 Provide background IP + Describe the Foreground IP - the Results of the projects</td>
<td>B</td>
</tr>
<tr>
<td></td>
<td>6.2 Make a comparative landscape by researching patents: how novel and strong is your IP</td>
<td>D</td>
</tr>
<tr>
<td></td>
<td>6.4 How will you manage IP rights during project execution to optimize development and after to improve the monetization</td>
<td>B</td>
</tr>
<tr>
<td>7</td>
<td>Initial Business Model</td>
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<td></td>
<td>7.1 Exploitation strategy definition</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>7.2 Initial Business Model</td>
<td>X</td>
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<tr>
<td>8</td>
<td>Investment and financial return</td>
<td></td>
</tr>
<tr>
<td></td>
<td>8.1 What investments are needed?</td>
<td>B</td>
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<tr>
<td></td>
<td>8.2 How do you plan to get such an investment?</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>8.3 Expected P&amp;L for the company and ROI for KIC</td>
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</tr>
<tr>
<td>9</td>
<td>Project plan</td>
<td></td>
</tr>
<tr>
<td></td>
<td>9.1 Project duration</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>9.2 List of partners</td>
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<tr>
<td></td>
<td>9.3 Project organization (Gantt chart) including Gate reviews (Go/No Go)</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>9.4 List of milestones and deliverables</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>9.5 Budget</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>9.6 Risk analysis with mitigation plan</td>
<td>D</td>
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<tr>
<td></td>
<td>X: To be delivered</td>
<td></td>
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<tr>
<td></td>
<td>B: To be delivered as a result of basic analysis</td>
<td></td>
</tr>
<tr>
<td></td>
<td>D: To be delivered as a result of in-depth analysis</td>
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</table>

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Investment Round 2019-2021

EIT InnoEnergy Innovation Projects
2. Requested information for submission of project proposal

Those consortia interested in submitting a project proposal need to submit their proposals via our online innovation platform ‘Accolade’. You can request an Accolade account by filling in the Questionnaire (available on the website: https://investmentround.innoenergy.com/) and submitting it via the website. Login credentials will be provided to you. This does not guarantee the acceptance of your investment request. On the Investment Round website, templates and supporting reference material is available. This describes what information is required for requesting an investment in your proposal, and how to use Accolade. You can find them under the tab called “check list and timeline”.

Eligibility and requested information
According to the eligibility criteria, only proposals that are complete and submitted will be considered. In the sections below, further details and explanation about the information requested in the proposal submission is given.

1. LIST OF PARTICIPATING ORGANISATIONS
   - Participant legal name: State the name of the organization being partner of the consortium. In the case that different departments of the same organization (e.g., University) are involved, consider a single entry. Take notice: The first line for the project leader organization
   - Country: Name of the country where each organization is located. The KIC office responsible will be assigned after the project has been approved.
   - Organization type: Please select among the following options: Large industry, SME, research centre, University, business school or start-up/Venture. In case none of these options is suitable, introduce your own type of organization.
   - Existing KIC member/EIT InnoEnergy partner: If your company participate or has participated in a project with KIC EIT InnoEnergy state Yes. If your company is not participating in a project but is a formal or associate partner fill in Yes, otherwise fill No.
   - Accountable person: Name of person empowered by each partner organization to decide on the involvement in the consortium.

2. EXECUTIVE SUMMARY
   2.1. New products, services, processes and associated Total Addressable Market (Exhibit 1.1 part A).
      i. List new products and services to be developed in the innovation project.
      ii. Select what the result of the project is, a product or service. Use more than one line for more than one result. It is possible to select a product and a service for one product.
      iii. Select if the market introduction of the new product/service is dependent on current or future regulation Select Yes/No.
      iv. State the degree of innovativeness for each product: incremental or disruptive.
      v. State the type of impact on market and society expected by each product or service developed in the project. A single product can produce one or several types of impact. This impact should be explained in the Project description (question 3).
      vi. State who will be the buyer of your product or service. One or several types of
buyers are possible.

vii. For each of the products/services, please include Total Addressable Market (TAM). For definition of TAM, please see Section 7.2.2.

viii. Give the date (year) of the expected Market launch of the product/service.

2.2. Narrative summary of proposal.
In half a page maximum, please explain to non-specialists:

- the objective of the project
- the problem or need addressed by the project
- the solution, the innovation proposed to be developed to solve this problem or need
- the market value for the commercialization partner
- the total project budget and the funding requested to EIT InnoEnergy

2.3. Impact Indicators (outputs).
A single product can produce one or several types of impact. Elaborate and provide an indicative quantitative estimation (where possible) how each product or service developed in the project will contribute to EIT InnoEnergy impact indicators:

- Decrease the cost of energy (€/kWh)
- Reduce greenhouse gas emissions
- Increase the security of the energy system (operability of assets and autonomy in supply).

The consortium leader or commercialisation partner will be invited to confirm or/and revise the self-declared contribution to the impact indicators five years following the formal termination of the project.

2.4. Key Performance Indicators (KPIs).
Please list the expected contribution of the project to EIT InnoEnergy’s KPIs. Below is a comprehensive description of each KPI, and of the documentation that will be expected to substantiate it:

<table>
<thead>
<tr>
<th>KPI</th>
<th>KPI Description</th>
<th>Documentation required to substantiate KPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quantity of IP FG disclosed.</td>
<td>Any (Secret) Knowledge that serves as input for an Innovation Project and which will be distributed between partners within the consortium. The KPI will be validated with an invention disclosure template, filled out by the disclosing partner. The KPI is eligible when: 1. The knowledge include: registered patents, copyright and secret knowledge 2. The knowledge contributes to the development or improvement of the new product and/or service</td>
<td>The KPI will be validated with an invention disclosure template, filled out by the disclosing partner.</td>
</tr>
<tr>
<td>KPI Description</td>
<td>Description</td>
<td>Reporting Requirements</td>
</tr>
<tr>
<td>-----------------</td>
<td>-------------</td>
<td>------------------------</td>
</tr>
</tbody>
</table>
| **Quantity of patents filed.** | This KPI only refers to patents which are IP foreground developed in the project. It does not cover side ground (IP developed in parallel to the innovation project in other research activities). A patent is an intellectual property right, which in principle is available:  
  as an asset in a new company (startup) (transfer of the patent to the startup or exclusive license to the startup),  
  for licensing or (in rare cases: transfer) to an existing company, or  
  for in-house use in an existing company having participated in the Innovation Project. Patent families are only counted as a single patent (e.g. if the patent is registered in five countries, the contribution to the KIC KPI is only “1” and not “5”). | For each patent filed, provide a copy of the patent application. Note that you don’t need to upload the technical part. |
| **Quantity of patents granted.** | A patent has been granted when it has been officially granted by a patent authority. This KPI only refers to patents which are IP foreground developed in the project. It does not cover side ground (IP foreground developed in parallel to the Innovation Project in other research activities). | For each registered patent, provide a scan of the patent publication. |
| **Quantity of Other IP FG secured (TM’s, copyrights, secret knowledge, ...).** | Other IP FG (trademarks, copyrights, secret knowledge...) has been secured when it has been documented and dated. This KPI only refers to IP FG which are developed in the project. It does not cover side ground (IP foreground developed in parallel to the Innovation Project in other research activities). | For each registered FG provide a scan of the documentation. |
| **Quantity of IP FG transfers.** | Should, in a given year, the secured IP Foreground end up with a party outside of the consortium and through licensing, sales or a consultancy, a knowledge transfer will be communicated to the EIT InnoEnergy. | The KPI will be validated with:  
  For patents or copyright: a transfer/licensing agreement between the donor and recipient partner.  
  For know-how: a service contract between the donor. |
<p>| <strong>Quantity of IP FG adoptions.</strong> | Should, each year, the registered IP Foreground end up with a partner within the consortium, a knowledge adoption will be communicated to the EIT InnoEnergy. | The KPI will be validated with a declaration from the adopting partner, stating the knowledge that has been agreed to adopt. |
| <strong>Quantity of improved products/services.</strong> | An improved product, service or process will be communicated to the EIT InnoEnergy, if that output has any added value to a customer. | For validation and reporting purposes, a document confirming that added value to the customer will be requested. That document could for example include a statement or a testimonial. |</p>
<table>
<thead>
<tr>
<th><strong>Quantity of new products/services.</strong></th>
<th>A new product, service or process will be communicated to EIT InnoEnergy and used in the reporting for EIT InnoEnergy, if the market launch led to the 1st commercial transaction. For validation and reporting purposes, a document confirming the transaction will be requested. That document could for example include an invoice or a purchase order.</th>
<th>For validation and reporting purposes, a document confirming the transaction will be requested. That document could for example include an invoice or a purchase order.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ROI IRR (Internal Rate of Return).</strong></td>
<td>The discount rate at which the net present value of costs (negative cash flows) of the investment equals the net present value of the benefits (positive cash flows) of the investment.</td>
<td>Sheet which shows cashflows over 10 years, and calculates IRR for the given project. An example is the Fee Scheme one-pager excel file.</td>
</tr>
<tr>
<td><strong>ROI NPV (Net Present Value).</strong></td>
<td>Sum of the present values (PVs) of incoming and outgoing cash flows of the project over a period of 10 years. Given the (period, cash flow) pairs (t, R_t) where N is the total number of periods, the net present value (NPV) is given by: [ \text{NPV}(i, N) = \sum_{t=0}^{N} \frac{R_t}{(1+i)^t} ] ( i ) – the discount rate (the rate of return that could be earned on an investment in the financial markets with similar risk.); ( R(t) ) – the net cash flow (i.e. cash inflow – cash outflow), at time t.</td>
<td>Sheet which shows cashflows over 10 years, and calculates NPV for the given project. An example is the Fee Scheme one-pager excel file.</td>
</tr>
</tbody>
</table>
1. PROJECT DESCRIPTION (exhibit 1.1 Part b of the Project Agreement)

In 3 pages maximum, please provide a detailed description of the project.

Include a clear description of the product or service that will be developed and commercialised.

2. DESCRIPTION OF PROJECT CONSORTIUM (exhibit 1.1 Part a of the Project Agreement)

2.1. Key activities of each partner.

For each organization please indicate:

- The name of the legal entity and the date of establishment.
- The revenue for the last 3 years (not for universities)
- The current number of employees (not for universities)
- The holding organization structure if any
- Previous and planned activities in the project
- Typology of partner’s contribution:
  - MA Market Analysis
  - MESA Macro Environment and System Analysis
  - R Research
  - D&D Design & Development
  - T&V Testing and Validation
  - IPR Intellectual Property Protection
  - MFG Manufacturing & Logistics
  - I&M Installation and Maintenance
  - PM Project Management
  - COM Business development & Commercialization
  - F Financing and Contracting

If any start-up, please specify links with EIT InnoEnergy business creation activities:

http://www.innoenergy.com/businesscreationservices/

2.2. Value Chain (exhibit 1.1 part B of the Project Agreement).

In half a page maximum, describe the value chain related to your product/service.

The value chain is the sequence of different processes and actors that are involved in producing goods (and services), starting with raw materials and ending with the delivered product. The commercialization company who will sell the product/service should be in the consortium. Plot the consortium partners in the value chain.

3. OVERALL PROJECT PLAN (exhibit 1.2 of the Project Agreement)

Provide a plan for the whole duration of the project in the form of a Gantt chart (or other type of graphical representation), broken down into different work packages. Include in your plan most relevant deliverables, milestones, and gate reviews. The plan should be scheduled in Years and Month’s.

Gate reviews shall be considered as effective risk management mechanisms to be implemented by the consortium in order to check feasibility of the project along the way to the market. A first gate review addressing the content detailed in Section 0 (WP0 gate review) shall be scheduled before the end of 2020. Other gate reviews related to the achievement of certain milestones should be considered in the project plan.
4. WORK PACKAGES (exhibit 1.1 Part a of the Project Agreement)

There are three compulsory work packages:

WP0 – Feasibility study

EIT InnoEnergy requires all consortia to perform a detailed feasibility study within 6 months after the project start. The content and details of the feasibility study are described in Section 2 of this document. Upon delivery of the feasibility study, EIT InnoEnergy will perform a gate review of the project. Those projects not showing convincing feasibility will be stopped.

WP1 – Project Management

All projects shall include a work package, devoted to project management. The role of the project management is described in the document “Role of the Project Manager”. This work package may include other horizontal actions such as PSB meetings, KIC reviews, etc.

WP 2 – Communication and Dissemination Plan

Each innovation project should have a dissemination and communication plan following the EIT InnoEnergy guidance, including elements such as naming convention or information on the EIT funding; For each of the different work packages included in your project plan, please provide further detail using the table provided in the template.

NB: for more details on the definition of Objectives, Tasks, Deliverables, please refer to the Glossary at the end of the General Document “Investment Round 2019 - 2021”.

5. BUSINESS DEVELOPMENT (exhibit 1.1 part C of the Project Agreement) – 5 pages maximum

5.1. Purpose of product/service?

5.1.1. What problem does your product/service solve?

Definition of the problem that is going to be solved by the product/service to be developed from a customer perspective.

5.1.2. Which customer need does it satisfy?

Answer this question not from a technology perspective, but putting yourself in the shoes of your customer.

5.2. Market analysis.

5.2.1. How large will be the Total Addressable Market (TAM) be in the following 5 years?

The TAM (Total Addressable Market) is an estimate of how much a company would make in sales if there were no other competitors. It can be calculated like:

TAM = Market size in units * price of your product

Please take as a reference the year when the product(s) will be launched.

5.2.2. Who are your customers and what are their characteristics? (customer analysis)

Provide customers’ profile and their needs (what are they searching for?)
5.2.3. Are there similar products in the market? Please specify your competitive advantage.

List the existing products in the market that solve the same need as your product/service. Why will a client buy your solution instead of another one? What are your USP’s (unique selling points or show a SWOT of your product)

Put this comparison preferably in a table for easy overview.

5.3. Value proposition for customer.

Why will the customer buy your solution and what will he sacrifice? (cost-benefit analysis, list benefits provided to consumers vs. “sacrifices” required)

The value proposition consists in thinking about the searched benefits for your customer. The added value you are creating to your customer should be contrasted with the required costs as well as knowledge adaptation. Are benefits higher than costs?

5.4. Product/service definition.

5.4.1. Product / service specifications

Specify and quantify the characteristics and attributes of the product/service to be developed in terms of cost, performance, efficiency, etc. When relevant, quantify process overall energy / mass balance.

Define the expected applications of the product or service and its main attributes including formal product specifications comprising (I) target production cost, (II) performance, (III) lifetime, etc. If the product is built out of a or several processes give the energy or mass balance to explain the added value of your solution.

5.4.2. Technology

What is the underlying technology for the new product/service to be developed?

Explain the technology that is used for the development of this product/service. The explanation should give information how the transfer of the technology will be kept in the product.

5.5. Intellectual Property (exhibit 1.1 part A).

5.5.1. Background IP

Provide Background IP (list only the main IP assets). Provide the Background Patents, copyrights or secret know-how of this innovation project. (name and numbers)

5.5.2. Foreground IP

How do you intend to protect IP generated in your project?

Please fill in the table provided in the template - please make sure that this section is consistent with Section 2.3 (KPIs)
<table>
<thead>
<tr>
<th>Type</th>
<th>IP description</th>
<th>Identification date</th>
<th>Filing plan date</th>
<th>Process description</th>
<th>Planned adoption / transfer date</th>
<th>Receiving industry name(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patent</td>
<td>...</td>
<td></td>
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<tr>
<td>Secret KH</td>
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<td>n/a</td>
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<td>Copyright</td>
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<td>Trademarks</td>
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</table>

(*) Here is only the Foreground IP required to mention. For the proposal it is enough to describe the area where the IP will be created. The filling and registration dates are planned.

(**) Adoption/Transference to Industrial Process: Where and when in which production process and by which company will the IP be used?
5.6. **Investment and financial return (exhibit 1.1 part C of the Project Agreement and Fee Scheme one-pager).**

5.6.1. Expected product specific P&L for the five years after the completion of the project.

5.6.2. Quantify the required yearly investments since beginning of project until positive cash flow

   Estimate what is the approximate investment needed from the start of the project to the moment that this developed product/service has a positive cash flow.

5.6.3. Sensitivity analysis for the revenues.

   What vectors will affect the revenue of this product/service. (e.g. governmental regulation, market price, CO2 price etc.)

5.6.4. How do you plan to get the required investment?

   Describe which are the intended sources of funding to reach such a total investment of 7.6.1.

5.6.5. Return on Investment model

   Please describe what is the base for the compensation (e.g., revenue share, equity, license royalties, or any other means).

   The yearly amounts will be detailed in the separate document (Exhibit 10.2 – Fee Scheme” in the submission platform (see §12 for more details on how to fill in this document).

   Please note that EIT InnoEnergy expects the return of their total investment in the project within 3-5 years after market introduction. This shall by no means be interpreted as a limitation of the total proposed compensation to KIC EIT InnoEnergy.

6. **EIT INNOENERGY ADDITIONAL REQUIREMENTS (exhibit 1.1 Part a of the Project Agreement)**

   How does the project take care for the integration of students, academics and educational organizations? (If any, please specify links with EIT InnoEnergy education programs. http://www.innoenergy.com/education/)

   Here you have to address the participation of the education part of the Knowledge triangle. It can be student work, master thesis, PhD study, internship, etc.

7. **RISK ASSESSMENT (exhibit 1.1 Part a of the Project Agreement)**

   7.1. **Self-assessment of risks of project with mitigation per risks.**

   Describe which are the main risks in your project due to internal aspects such as technical, financial, team competences, etc. What actions are planned to mitigate such risks? Fill this in the table.

   To gain further insights into the potential risks or the projects please use the IRL tool: http://irl.innoenergy.com/login.
### Nature of risk

<table>
<thead>
<tr>
<th>Nature of risk</th>
<th>Likelihood</th>
<th>Impact</th>
<th>Severity</th>
<th>Mitigation measures</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Add lines if required

Likelihood 1 = improbable; 2 = unlikely; 3 = possible; 4 = likely; 5 = probable
Impact 1 = light; 2 = serious; 3 = major; 4 = catastrophic
Severity = Likelihood x Impact

7.2. **About the partnership (added-value of the co-operation-complementarities between partners)**.

Explain:
- Why is each partner required?
- Why are these the right partners? What competences do they bring?
- Why are the partners complementary in terms of value chain and background knowledge?
- Which type of partner is not in the consortium and what are the risk related to that

8. **BUDGET BREAKDOWN (exhibit 1.3 of the Project Agreement)**

The budget needs to be constructed according to the information requested in the Exhibit 1.3 – Project Budget file. This file consists of several tabs where different types of information are requested.

If additional information is required please contact the EIT InnoEnergy Office near you to ask for support of the country Financial Officer.

8.1. **Overall Project Information.**
- Partners & Work Packages – Start introducing the information about the partners and work package structure of your project. This information will automatically feed other tabs.
- Exhibit 1.3 – Do not fill. This is automatically generated as an aggregation of each partner’s budget information.
- KAVA by nature – Do not fill. This is automatically generated as an aggregation of each partner’s budget information.

8.2. **Individual Partner Budget Information.**

Budget for each partner shall be specified:
- Part. X KAVA – For partner X and each year, provide for every Work Package, costs broken down into the different cost categories. For indirect costs, ask your finance officer.
- Part. X Compl. Activities – For partner X and each year, provide information related to complementary activities.
- Part. X Fundings – For partner X and each year, provide how you will fund the KAVA activities. Note that by default, all the KAVA cost is considered to be funded by partner own resources. Funding allocated to other types of sources is automatically deducted from the “partner own resources” category.

For complementary funding the same approach as for KAVA shall be followed.
9. CV OF PROJECT MANAGER

Please attach file with the CV of the proposed project manager. If a project manager is not available in the consortium, please state in your proposal that EIT InnoEnergy should propose a project manager.

The mission of the project manager is overseeing all aspects of the innovation project. The project manager is responsible for ensuring that the agreed upon terms and objectives between the project partners and EIT InnoEnergy are carried out and achieved as per contractual terms and conditions. EIT InnoEnergy makes it a priority to hire competent and experienced Project Managers due to the wide scope of responsibility inherent to this role. See the requirements of the partner Project Manager in the KIC EIT InnoEnergy Project Manager Competence Profile documents (Annex 7).

10. FEE SCHEME ONE-PAGER (exhibit 10.2 of the Project Agreement)

The purpose of this annex is for EIT InnoEnergy to make an assessment on the financial viability of the investment and the return on investment on the proposed innovation project proposal.

- Please fill in the template provided, investment breakdown the project estimates by year and the return on investment the project is expected to generate by year.
- Please enter the total investment, EIT InnoEnergy investment and co-funding (investment by partner/s) by year.

Likewise, please enter of total return on investment, EIT InnoEnergy success based contribution and partner/s return on investment by year. The return on investment and success share contribution is described as “Cash Inflow*” in the template. Cash Inflow* - EBIT (Earnings before Interests and Taxes) i.e.: • Revenue (including non-operating income) minus operating expenses (OPEX)
- Please enter the type of e.g.: Revenue sharing (product sales, fixed amount per unit sold, etc.), Share on IP licensing revenues, others (please specify).
3. Feasibility study – WP0

Introduction

Why?

The aim of KIC EIT InnoEnergy SE Innovation Projects is to launch new products and services to the market. This implies paying attention not only to the technology but also to market, IP and financial issues that could be the deciding factors for the feasibility of the project.

The “Feasibility Work Package” has been developed to have a holistic perspective about the opportunities of the project. It offers guidelines for Innovation Projects’ leaders and participants, by posing the key questions that need to tackled from the very beginning of the projects.

What?

This “Feasibility Work Package” (under the acronym of WP0) offers guidelines to understand the different questions required by EIT InnoEnergy to assess the feasibility of the project.

The “Feasibility Work Package” is composed of 9 (nine) chapters with various questions related to market analysis, IP Protection, initial business model, investment analysis, etc. Each chapter contains an explanation about each question that needs to be answered. This should help project participants to properly understand what is requested.

Instructions

The “Feasibility Work Package” (WP0) shall include all the information requested in this present document. Therefore, all questions shall be answered and properly analysed. Performed analyses should be robust and convincing, in order to show evidence of the feasibility of launching your product/service into the market successfully.

Feasibility Work Package Questionnaire for Innovation Projects

SECTION 1: What problem does my product/service solve?

THE OBJECTIVE OF THIS SECTION IS: Understand why this project is relevant and the existence of unanswered needs that could be fulfilled.

Questions

1.1. What problem does your product/service solve?

Definition of the problem that is going to be solved by the product/service under development.

E.g.: Crystalline silicon technologies dominate the Photovoltaic market with an 85% to 90% market share, in terms of value. But they present some disadvantages, for example: (i) high material and processing costs and (ii) high stiffness.

The problems to be solved are the huge costs of these technologies and the high stiffness which limits the installation in complex buildings’ shapes.

1.2. Which customer need does it satisfy?

Behind a problem, there is someone (individual and/or organisation) with an unsatisfied or unsolved need. In this case, the main objective of a technology under development is to satisfy
uncovered or poorly covered needs for a group of customers. It is key to know who is your customer and his/her needs, to launch a product/service successfully to the market.

You should answer this question not under a technology perspective, but putting yourself in the shoes of your customer.

E.g.: I am a manufacturer of OPV thin films and my targeted customers are real state companies and construction companies. These customers have the following needs (i) to have a photovoltaic product that can be installed in complex buildings (with complex shapes) and (ii) at a lower cost than silicon cells; without decreasing efficiency provided by silicon solar cells.

SECTION 2: Macro-environmental analysis

THE OBJECTIVE OF THIS SUB-SECTION IS: To prove that the macro aspects are not a serious threat and/or an opportunity. To assure sustainability of the opportunity or indicates actions that will have to be taken in the future in order to protect you from that environment (if possible).

Questions:

2.1. How do macro-environmental factors affect your product, in terms of political factors, economic factors, social factors, technological factors, environmental factors and legal factors?

Analysis of the macro-environmental factors that can have an influence (positive or negative) on the development of your product/service, as the example below:

<table>
<thead>
<tr>
<th>Political Factors</th>
<th>Analysis of the political factors that will have an influence on the technology (E.g.: Directive 2009/28/EC of the European Parliament)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Factors</td>
<td>Analysis of the economic factors that will have an influence on the technology (E.g.: oil prices, interest rates, unemployment rate, etc.)</td>
</tr>
</tbody>
</table>
| Social & Environmental Factors | Analysis of the social factors that will have an influence on the technology (E.g.: public acceptance, ethic energy generation, etc.)  
Analysis of the environmental awareness (E.g.: risk of disrupting animals, etc.). |
| Technological Factors | Analysis of the different technologies’ development (E.g.: different products development, investment in R&D, etc.) |
| Legal Factors     | Regulatory framework (regulatory and legal issues) |

It is important to perform this analysis not only in an EU framework but also by the regions/countries where you are interested to launch your product/service.
Value chain analysis

THE OBJECTIVE OF THIS SUB-SECTION IS: To be able to identify strengths in a partnership and/or potential partners, as well as bottlenecks in the value chain.

Questions

2.2. Describe the value chain related to your product/service. Are the different players available and connected?

The value chain (also known as supply chain) is the sequence of different processes and actors that are involved in producing goods, starting with raw materials and ending with the delivered product.

- Do all elements in the value chain exist? If not, how are you going to tackle this?
- Are the elements in the value chain already connected, as per the identified chain? Do you need to introduce new connections?
- Is there any bottleneck or potential risk at any of the elements of the value chain that may affect your product, its performance, quality, price, etc.? (e.g., monopolies, resources located in one country with constraining market policies or high political instability, potential situations of under-supply/over-demand, high price volatility, etc.)

E.g.: The following representation of the value chain is related to the solar energy industry. Here current or potential partnerships should be identified as well as bottlenecks or constraints that can affect your product/service.

2.3. Does the value chain need changes in order to introduce your products/services? If so, how do you expect to deal with it?

Even if all elements in the value chain exist, you many need to manage some changes in the way these elements currently operate, in order to produce or commercialize your product.

E.g.: New PV panels to be commercialized require that silicon wafers are delivered in a size and format that is different from current industry standard.
SECTION 3: Market Analysis

Market research

Overview of the specific market: Market size (in M€), market structure (number of players in the market and its market share in %), tendencies of the market (which % of yearly growth is forecasted); and TAM quantification. If there is more than one market, please answer the questions for each of the markets. If the market doesn’t exist already: what will my product generate (in €)?

THE OBJECTIVE OF THIS SUB-SECTION IS: To prove the opportunity and economic impact.

Questions

3.1 Current market size and growth in next 5 years?

Please take as starting point the year when the products will be launched.

E.g.: In 2008, crystalline silicon technologies dominated the Photovoltaic market with an 85% to 90% market share, in terms of value.

EPIA expects that by 2020 silicon wafer-based technologies will account for about 61% of sales, while Thin Films will account for around 33%. CPV and emerging technologies (OPV, DSSC, among others) will account for the remaining 6%.
Market structure and market share (%).

In this question, number of total players in the market should be stated and its market share (%) identified.

*E.g.*: current manufacturers of OPV and CIGS are still developing their products. Therefore, it is not possible to talk about market share.

Current players are:

<table>
<thead>
<tr>
<th>OPV &amp; CIGS manufacturers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ascent Solar</td>
</tr>
<tr>
<td>Nano solar</td>
</tr>
<tr>
<td>Konarka</td>
</tr>
<tr>
<td>Solarmer</td>
</tr>
<tr>
<td>Solopress</td>
</tr>
</tbody>
</table>

3.2. Market trends *(5 years period)* and % of growth *(by technology and geography)*.

This question covers in depth what is requested in question 3.1. This means that more data are needed (e.g.: which countries would experiment more growth in the market of study, explanations on how the market is going to experiment this growth, etc.).

![Sales forecast for 2020](Image)
3.3. How large will be the Total Addressable Market (TAM) be in the following 5 years?

The TAM (Total Addressable Market) is an estimate of how much a company would make in sales per year if there were no other competitors. It can be calculated like:

\[ \text{TAM} = \text{Market size in units} \times \text{price of your product} \]

*E.g.: If one year 210,000 m\(^2\) of thin films are sold, and the price of your product is 120 €/m\(^2\), your TAM will be 25,2 million €.*

For the following years it is possible to make a forecast by applying estimated growth rates. It is advisable to provide different scenarios: optimistic, prudent and pessimistic. The first year to be considered is the one when you will start selling your product.

*E.g.: Scenario 1: 20% market annual growth & same price; Scenario 2: 10% market annual growth & 5% price decrease; Scenario 3: 5% market annual growth & 2% price decrease.*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario 1</td>
<td>20%</td>
<td>0%</td>
<td>25,2</td>
<td>30,2</td>
<td>36,3</td>
<td>43,5</td>
<td>52,3</td>
</tr>
<tr>
<td>Scenario 2</td>
<td>10%</td>
<td>-5%</td>
<td>25,2</td>
<td>26,3</td>
<td>27,5</td>
<td>28,8</td>
<td>30,1</td>
</tr>
<tr>
<td>Scenario 3</td>
<td>5%</td>
<td>-2%</td>
<td>25,2</td>
<td>25,9</td>
<td>26,7</td>
<td>27,5</td>
<td>28,3</td>
</tr>
</tbody>
</table>
Segmentation and Targeting

THE OBJECTIVE OF THIS SUB-SECTION IS: To show a general understanding of the market structure and prove that you are targeting at a good “fishing pond”; and to show a deep understanding of your customer and therefore, provide confidence that the product will be “tailored” to its needs.

Some of these questions can be answered by a qualitative analysis based on interviews or surveys to potential customers. Also research from secondary sources such as reports, articles, etc. can help.

Questions

3.4. Who are your customers and what are their characteristics? (Customer analysis).

The information required is: (i) customers’ profile, (ii) customers’ needs (what are they searching for), (iii) which products/services do they purchase to meet their needs (from competitors, if they exist), (iv) what they think that can be improved, (v) purchase decisions making (by price, efficiency, etc.), ...

E.g.: In this case, real estate and construction companies interested in solar energy for complex buildings should be identified and its profile described. How big are these companies? What percentage of their works are related to complex buildings with the need of solar energy installation? Etc.

3.5. Which are their needs in relation to the product/service? How are they currently covered?

This consists on an analysis about how current demand is being satisfied, in terms of suppliers and product types.

E.g.: The need has not yet been covered. The current efficiency of thin films is not comparable to silicon solar cells, and therefore it is not applicable for buildings. But the product under development is a high efficiency thin film to be installed in complex shape buildings at a lower cost than silicon solar cells.

Overview of commercial PV technologies

<table>
<thead>
<tr>
<th>Technology</th>
<th>Thin film</th>
<th>Cristalline Silicon</th>
<th>CPV</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(a-Si)</td>
<td>CdTe</td>
<td>Cl(G)</td>
</tr>
<tr>
<td>Cell efficiency</td>
<td>4-8%</td>
<td>10-11%</td>
<td>7-12%</td>
</tr>
<tr>
<td></td>
<td>a-Si/µc-Si</td>
<td>Dye s. cells</td>
<td></td>
</tr>
<tr>
<td></td>
<td>7-9%</td>
<td>2-4%</td>
<td>Mono</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>16-22%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Multi</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>14-18%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>III-V Multi</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>30-38%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>junction</td>
</tr>
<tr>
<td>Module efficiency</td>
<td>13-19%</td>
<td>11-15%</td>
<td>~25%</td>
</tr>
<tr>
<td>Area needed per kW (for modules)</td>
<td>~ 15m²</td>
<td>~ 10m²</td>
<td>~ 10m²</td>
</tr>
</tbody>
</table>

The organic thin film technologies have registered the following efficiencies:

- The graph below illustrates that OPV is a young technology with a constant efficiency increase, being the current lab record 9,1% (polymer, polyera).
- Laboratory and manufactured products efficiencies are quite different, Konarka has been the only manufacturer of OPV modules with an efficiency of 2,5%.
3.6. Which market segments do you identify?

Market segmentation is to divide the total market into different segments or groups according to criteria such as:

- Technology and/or
- Customer/demand and/or
- Geography

In the energy sector, it is interesting to consider demand segmentation or technology segmentation (also geographical can be useful, if your product/service is going to be launched in a specific region).

*E.g.: The OPV technology’s advantages make it competitive for a range of niche applications, such as the following, where the criteria segmentation is the demand:*

<table>
<thead>
<tr>
<th>Segmentation Criteria: Demand (niche applications classification)</th>
<th>Application</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defence</td>
<td>Portable power for soldiers (uniforms) and tents</td>
<td></td>
</tr>
<tr>
<td>Portable electronics</td>
<td>Mobile phones, MP3 players, PDAs, digital cameras, toys, remote controls, GPS navigation systems, Bluetooth devices</td>
<td></td>
</tr>
<tr>
<td>Smart fabrics</td>
<td>Bags and backpacks, awnings, suitcases, jackets and vests, cases and sleeves, tents, sails.</td>
<td></td>
</tr>
<tr>
<td>Building-integrated systems</td>
<td>Windows, roof, garage doors, skylights, walls, decorations, facades, tiles and shingles.</td>
<td></td>
</tr>
<tr>
<td>Outdoor recreational and remote applications</td>
<td>Signage, etc.</td>
<td></td>
</tr>
<tr>
<td>On-grid electrical energy production</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3.7. Which market segments do you target?

Which of the different identified segments is the most attractive? Explain which segment/s you are going to address with your product/service and why. Here is where you take a decision, which can be based on different variables: most attractive in terms of price, less competition (freedom to operate), etc.

E.g.: The targeted market segment chosen has been BIPV (Building Integrated Photovoltaics). The reason is twofold:

- The developed product presents most competitive advantages in this demand segment where large surfaces of PV systems need to be integrated at a competitive cost.
- This segment is expected to be the largest one among all

<table>
<thead>
<tr>
<th>Niche applications classification</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Time to market</strong></td>
</tr>
<tr>
<td>Short term</td>
</tr>
</tbody>
</table>

Competitive analysis

THE OBJECTIVE OF THIS SUB-SECTION IS: To show data about how fierce competition is and how your product is going to be positioned in front of the existing offering. This will serve as input for the competitive advantage definition.

Questions

3.8. Are there similar products in the market? Please specify your competitive advantage.

Analyze information of existing products in the market that solve the same need as your product/service. Comparison of competitors’ products by characteristics is needed to identify your competitive advantage, i.e. why a client will buy your solution instead of another one.

E.g.: Solarmer’s plastic solar panels for BIPV applications will be available in 2013. The product under development will have a higher efficiency (12%) but maintaining costs at 100€/m². In this case, we know that clients are more interested in efficiency than costs (extracted from in-depth interviews), and that is why we are focused on increasing efficiency.

3.9. Which are the key players (competitors) in the different market segments?

Comparative analysis of the competitors, including information like: annual sales, market share (%), key products, comparison between competitors’ key products by sales, etc.
### Company | Current Market Segment
--- | ---
Ascent Solar | CIGS for building integrated products (BIPV), electronic integrated and electronic portable power products (EIPV), defense, space and more.
Nanosolar | CIGS for solar panels.
Konarka | Defense: Konarka was supplying the US Army with solar-powered battery charges based on OPV - (Nanomarkets) Seven standard panels suitable for microelectronics, portable power and remote power applications
Solarmer | Solarmer’s OPV portable electronics will be available in 2011-2012
Solarmer’s plastic solar panels for smart fabrics applications will be available in 2011 - 2012
Solarmer’s plastic solar panels for BIPV applications will be available in 2013
Solarpress | OPV
Solopower | CIGS

#### 3.10. Comparison of the competitors’ key products by characteristics (price, cost structure, performance, etc.).

*E.g.: Solarmer’s OPV panels characteristics:*

- Cost: 30-50$/m²
- Lifetime: 1-3 years
- Transparency: up to 45%
- Size: Customizable

The same exercise should be done for all competitors.

#### 3.11. Define the positioning mapping according to the variables that differentiate yourself from competitors and that are valuable for your customers.

The positioning strategy consists on the location of all competitors’ products and yours, usually in 2-axis-charts, using two variables that are important for your customers and related to your product.

*E.g.: 2 critical variables are: price and effectiveness. According to those, competitors’ products have been positioned (C1, C2, C3, C4). Then yours is also put in the matrix.*

*Where is my competitive advantage? I am as efficient as my competitor C1 but much cheaper!!*
3.12. Threat of substitute products/services?

Identify those products or services that are different from the one developed that can satisfy the same need. Describe the properties of the substitute products, the level of substitution and the differences, their competitive advantage.

Analyse the threat that these products can represent.

E.g.: Substitute products for Building Integrated Photovoltaic flexible cells are other renewable energy technologies that can be integrated in buildings

- Product: XY flexible solar cells
- Competitors: Konarka, Solmer, etc.
- Need: Renewable energy generation integrated in buildings
- Substitute products: Micro wind turbines, biomass based micro turbines, solar thermal + Stirling engine, solar thermal + Organic Rankine Cycle (ORC)
- Market: Energy

3.13. Threat of new entrants. Are you aware about other similar products under development?

The barriers for new entrants can be: (i) patents, (ii) rights, (iii) R&D expenditures, (iv) customer loyalty to determined products/services, (v) others. How can you deal with these barriers? Are you aware about other similar products under development? Is the risk of new entrants high or low? Why?

E.g.: In this case, there are few players in this market, and therefore few patents. But, R&D expenditures are quite high because these kind of technologies are in a very early stage of R&D. In conclusion, and analysing all the products under development, barriers are still low.

SECTION 4: Value proposition for customer

THE OBJECTIVE OF THIS SECTION IS: To convince that you are unique, that you have something that is valued, that you have a chance because everything is coherent and interwoven as a system.

4.1. Why will the customer buy your solution and what will he sacrifice?

Perform a cost-benefit analysis. List benefits provided to customers vs. “sacrifices” required by customers.

The value proposition consists in thinking about the searched benefits for your customer. The added value you are creating to your customer should be contrasted with the required costs as well as knowledge adaptation. Are benefits higher than costs?

E.g.: Generate in your own building, emission-free, renewable energy, with an attractive return on investment independent of any governmental subsidy, without any hassle and with no visual impact.
4.2. Quantify the impact of your product/service for the customer.

You can quantify the impact in terms of:

- Cost reductions. E.g., savings for CAPEX or OPEX vis-à-vis current solutions, calculating the reduction of levelized cost of energy, or
- Reduction of Green House Gas emissions, or
- Reduction of dependency from resource holders (e.g., import of tons of oil, gas, etc.)
- Etc.

E.g. 1: For a location with an annual irradiance of 1400 kWh/m², and considering a 3 kWp solar panel field:

- The ROI for the customer is 12% considering a 10-time period (estimated lifetime of the product)
- The break-even point occurs in year 5
- The levelized cost of energy is 14,5 c€/kWh
- The required investment amounts to 1,025 €/kWp
- The GHG emissions avoided during a 10 year period: 32 Tons of CO₂, 44 kg of SO₂ and 68 kg of NOx

SECTION 5: Product/service definition

THE OBJECTIVE OF THIS SECTION IS: To prove that your offering is sound, technically possible and it fulfils customer requirements.

Questions

5.1. Specify the characteristics and attributes of the product/service to be developed.

Define the expected applications of the product or service and its main attributes including formal product specifications comprising (i) target production cost, (ii) performance, (iii) lifetime, etc. In fact, the characteristics and attributes of the product should be the result of a strategic analysis to position it in the market.

5.2. What is innovative about the product/service to be developed? To what extent is the product/service unique?

Describe how innovative is the product vis-à-vis other solutions in the market. State if the innovation can be considered incremental or disruptive.

5.3. What will be the state of development at the end of the project?

E.g.: Ready to be commercialized, first version for trial with customer, etc. State when the product will be readily available for commercialization.

1 Provided data is not real. There may be inconsistencies in the figures related to the financial analysis.
SECTION 6: IP Protection

THE OBJECTIVE OF THIS SECTION IS: To prove that that IP will be protected, managed and that the risk of NOT having freedom to operate is minimal, all with the purpose that the technology is "safe" to be sold, licensed etc. It also defines the protection plan.

Your challenge is to convince us that you:

- own valuable secured/protected IP that you give access to;
- will maintain & use existing IP;
- (will) secure/protect/use new and valuable IP; and
- are careful not to infringe 3rd party rights;
- in a way that is reinforcing your project and its business goals

For that we ask you to:

6.1. Provide a Background IP list and identify the types of Foreground IP that will protect the Project results.

A. Background IP

The Background IP list is to be formally attached as an Exhibit 2.1 to the Project Agreement. Below guidelines are given on how to compose the Background IP list.

Guidelines for Background identification. The aim of the present document is to give guidelines for Background identification before or within a KIC Project.

The Background list must be part of the project proposal to the KIC, e.g. not only before start of a project, but also at project proposal. It may also be necessary to amend the Background list during a project.

The Background list can be modified but as it is part of the Project Agreement all Project partners have to agree and sign the revised Background list, following the requirements set in the Project Agreement.

The Background list as Exhibit 2.1 to the Project Agreement will be a prerequisite for obtaining approval of the Feasibility assessment committee (WP0).

Background can include:

1. Patents or utility models (e.g. the German “Gebrauchsmuster”);
2. Copyrights for software (preferably associated with an external proof of date of creation), (should be associated with an external proof of date of creation); and
3. Secret know-how.
   
   Definition of secret know-how: information resulting from experience and tested, and which is: secret, substantial, and identifiable (i.e. codified in reports) and for which appropriate protective measures are taken to:
   
   - keep the secret information from the public domain; or to
   - actively pursue protection with IP rights to keep the information from being used freely by third parties

   This means that any results or information which is published cannot be considered as know-how.
4. Trademarks
Background does not include:

- content of disseminations in the public domain of any kind except when that content is protected by intellectual property rights or in the process of being protected. Content that is published in a IP right publication, that however is not or no longer protected by an active IP right is not Background.
- skills which are not codified in writing;
- posters open to the public, e.g. in a conference or in halls or corridors open to the public; or
- talks before any audience with unrestricted access, e.g. in a conference.

Generally (but it can be decided upon otherwise in the Innovation Project Agreement on a case by case basis), Access Rights to the listed Background assets are required:

- either for the implementation of the Project: Access Rights are needed if, without the grant of such Access Rights, carrying out the tasks assigned to the recipient Party would be impossible, significantly delayed, or require significant additional financial or human resources; or
- for future Commercial Use of own Foreground: Access Rights are Needed if, without the grant of such Access Rights, the Commercial Use of own Foreground would be technically or legally impossible.

As a result, in the Background list only Background with unrestricted or at least limited access should be included.

In the case of limited access, the existing limitations should also be mentioned in the Background list.

Template: the Project partners are advised for drafting and submitting the Exhibit 2.1, to use a form provided as an Annex to this Guideline document (given in XLSX format). This form can be requested at the co-location office or at the IP Assets office of EIT InnoEnergy.

B. Foreground IP

Please provide

- a summary of the IP Rights will produce during the project. (types see previous paragraph 6.1A)
- a timeline of those IP rights: when will they be filed and where
- the ownership structure: Partners, potentially joint-ownership, funding mechanisms
- the budget you will need for this - it will enable you integrate IP costs from the start

6.2 Make a comparative landscape by researching patents: how novel and strong is your IP?

We ask you to assess the strength of your creations and those of your future results. Of particular importance is the technical novelty that your inventions have differentiating them above the existing state-of-the-art. We request a patent landscaping by researching the online patent publications. It is advisable to ask for assistance by patent professionals.
6.3 Assess your Freedom to operate.

We discern two types of freedom to operate:

1. Having access to IP from sources that you know: Partners to the current project and know third parties have IP that is needed for the project. Demonstrate that you have in place agreements that assure the access to these IP rights.

2. Not infringing the IP rights of unknown entities: Third parties unknown to you may own rights: copyrights, trademarks, design models and most importantly patents. Prove by doing patent research that you have identified the major IP risks and assess their importance and how they can be mitigated. This research can be integrated with 6.2 but is patent technically a different analysis.

6.4 How will you manage IP rights during the project execution to optimise the development and after execution to improve the monetization?

A. Agreements have to be made (in the Consortium Agreement) on how to deal with existing Background IP (access) and how to deal with new Foreground IP (who will file, who will own/maintain..., access,...)

B. Provisions have to be made on how to use the IP assets such that in the commercialisation phase (after the project) value and monetization can be maximized.

SECTION 7: Initial business model

THE OBJECTIVE OF THIS SECTION IS: To provide confidence about the implementation plan and show how the process of making profits works.

Questions

7.1. Exploitation strategy definition.

The exploitation strategy consists of defining who is going to commercialize your product (a partner being in charge of the commercialization or through a start-up) and how. Different options for commercialization your product / service include:

- Sale of product /service
- IP sale
- IP licensing
- Usage fee
- Subscription fee
- Lending/renting or leasing
- Brokerage fee
- Advertising
- Other

7.2. Initial Business Model.

An initial business model shall be defined. A Business Model is a useful tool to describe and establish interrelations between many different decisions/aspects previously tackled. One possible model is the Canvas Model2 that describes and interrelates the following aspects: (i) customers segments, (ii) value propositions, (iii) channels, (iv) customer relationships, (v) revenue streams, (vi) key resources, (vii) key activities, (viii) key partnerships and (ix) cost structure.
SECTION 8: Investment and financial return

THE OBJECTIVE OF THIS SECTION IS: To show that it is economically viable. It shows future investment needs and shows how much the commercializing company, the consortium and KIC EIT InnoEnergy will obtain as financial return.

Questions
8.1. What investments are needed?
Define what is the investment needed to launch the product/service to the market.

8.2. How do you plan to get such an investment?
Describe which are the intended sources of funding to reach such an investment. Are they available? What do you need to do in order to secure them?

8.3. Expected P&L for the company and compensation for EIT InnoEnergy?
Calculate the expected P&L (Profit and Loss) statements for the 5-year period after commercializing the product/service and derive the cash flows.

Explain and calculate which will be the success-based contribution (“Fee”) for EIT InnoEnergy. Fee (%) = (Net profit (€) / Investment (€)) × 100.

SECTION 9: Project plan

THE OBJECTIVE OF THIS SECTION is to update the project plan delivered at the submission phase, after the completion of the feasibility study according to provided EIT InnoEnergy template.

Questions
9.1. Project duration.
9.2. List of partners.
9.3. Project plan (Gantt chart) including Gate reviews (Go/No Go).
9.4. List of milestones and deliverables.
9.5. Budget.