



TECH TRANSFER AGRIFOOD

REQUIREMENTS OF THE CALL 3rd Call



1. INTRODUCTION

The agrifood sector represents 3.9% of the world's GDP and employs 4.72 million people in the EU, generating a turnover of € 1.2 billion and € 236 thousand million in added value, which makes it the largest manufacturing industry of the EU.

Most companies in the sector make incremental innovations, in other words, innovation based on a product that already exists, adding new properties to it¹. If we want to incorporate more disruptive innovations that enable a sustainable competitive advantage in the company and with a high impact on the customer and on the EBITDA, we must support the participation of smes in the processes of transfer of technology and access to innovation.

Tech Transfer Agrifood was born to cover this need, encouraging the transfer of technology through the funding of prototypes in relevant industrial environments, providing disruptive and innovative technologies for their implementation and scaling in the industry.

One of the tools that exists to favour the technology transfer processes between the industry and the R&D centres is the access to funding in the initial stages of product development.

2. The TECH TRANSFER AGRIFOOD Fund



The TECHNOLOGY TRANSFER PROCESSES are orientated towards enhancing the technology to facilitate its access to the market. In general, these processes consist of different tools and strategies, in all cases aimed at accompanying the **transformation of knowledge and technology into a viable business model**, that is to say, in a marketable product or service for which the customer is willing to pay.

Tech Transfer Agrifood, hereafter TTAF or the Fund, is an investment instrument, with a model based on demand through the challenges proposed by the Agrifood Industry, which has the support of FOND-ICO GLOBAL F.C.R. This plurality of knowledge guarantees a “connection with the industry” and the transfer of good practices favours the boost of new technologies and new business models.

Tech transfer Agrifood² offers a unique opportunity to validate concept testing and technologies developed in the R&D centre, in a relevant industrial environment, promoting the scaling and marketing of the most disruptive proposals, promoting the contact between the offeror (R+D Centre, startup...) and the Industrial proposers of Challenges.

¹ According to **Alimarket** (mass consumption), only 4.2% of the innovations are new products, the rest is range reformulation and extension of the brand.

² **TECH TRANSFER AGRIFOOD F.C.R.** is a venture capital fund registered in the CNMV on 12 April 2019 with the number 251.

The Fund management company is **CLAVE MAYOR, S.G.E.I.C., S.A.** (hereafter management company or CLAVE) with Tax ID A-31753726 and registered office at Paseo Sarasate 3-4º 31002-Pamplona (NAVARRA) and in calle de la Paz, 44, piso 3 pta. 4, 46003 Valencia (Valencian Community).

The objective of **Tech Transfer Agrifood** is to invest in a maximum of **18 concept tests/businesses per year**. All investments must respond to challenges posed by the food industry.

3. OBJECTIVE OF THE CALL FOR PROPOSALS

With a fund comprising €15 million, **Tech transfer Agrifood** will contribute up to €500K for the execution of the **concept test** and/or the **investment** which enables a project to be carried out for the agrifood industry with a high impact value

Tech transfer invests in the entire chain of innovation, from the investment in concept testing, to carrying out Seed rounds or Startup.

- a) Investment in **concept testing**, covers actions with the aim of subjecting a technology/business model to real conditions, in order to check that this prototype is susceptible to being exploited commercially in a market-led way. The investment in this phase of development of prototypes/demonstrators will serve to validate the value proposal in a relevant industrial environment.
- b) **Investment in Startups (pre/commercial phases)**. Following this stage, the company is resized to reach the market and be industrially scaled. To do so, technical-economic **studies will be carried out, as well as market research, development of the business model and rollout**.

Tech Transfer Agrifood looks for proposals to solve market **CHALLENGES** of the agrifood industry.

With our value proposal, Tech Transfer Agrifood contributes to these two phases, enhancing and transferring solutions to the agrifood industry in the form of a licence or through investment in TBCs/Startups.

4. APPLICANT PROFILE

We understand that the applicant is a legal entity that has the Assets resulting from scientific research and/or innovation activities, both in product (r+d), and in its business model.

Applicants must meet the following requirements:

- a. Applicant requirements:
 - Applicants must prove their legal status and operating capacity. Both natural and legal persons may be accepted as applicants.

In the case of (i) natural persons, they must prove their link to a research group, universities, and university foundations, research and transfer centres, technological centres, hospitals and hospital foundations, research institutes...etc., as an applicant, within the agreed deadline, always before the investment from **Tech Transfer Agrifood** and with the objective of developing the presented solution.



In the case of (ii) legal persons, they should communicate their interest in promoting activities that constitute the objective of the project.

- Type of entity:
 - a) Start-ups, TBCs (technology-based companies)
 - b) Researchers or people belonging to or related to research centres, universities and university foundations of research and transfer, technological institutes, hospitals and hospital foundations. Institutions whose main activity is research.
- The applicant may complete more than one application, provided they are associated to different challenges.

b. Project requirements:

- aimed at solving CHALLENGES posed on the Fund's website. Solutions to future challenges that have not yet been posed by the industry are also accepted (see category “without associated challenge”)
- aimed at enhancing and marketing Assets resulting from the research.
- aimed at the areas of agri-food.
- it may or may not, have a patent or utility model or other intellectual property (intellectual / industrial)

In the case of the results of the execution of the funded concept test, new developments are obtained that may be protected. Joint ownership agreements with **Tech Transfer Agrifood** will be valued.

c. The following are explicitly excluded.

- Entities/companies/people subject to an arrangement with creditors or equity insolvency.
- The companies that form part of or operate in one or various sectors below:
 - a) Tobacco and distilled alcoholic drink products. The production and trading of tobacco and distilled alcoholic drink products and related products.
 - b) Production and trading of arms and ammunition: the financing of the production and trading of arms and ammunition of any type. This restriction will not apply as long as these activities form part of explicit policies of the European Union or are incidental to them.
 - c) Casinos. Casinos and equivalent businesses.
 - d) Restrictions in the IT sector. Research, development or technical applications related to programs or solutions of electronic data which have the specific objective of: a) supporting any activity included in the restricted sectors mentioned in letters i) to iv) above; b) internet gambling games and online casinos, or c) pornography, which have the objective of allowing the illegal entry of electronic data onto networks, or the illegal downloading of electronic data.

- e) Restrictions in the life sciences sector. Related to develop or applications supported by techniques related to human cloning for therapeutic purposes or decommissioning of nuclear power plants.
- f) Gambling and betting
- d. Acceptance of these rules of participation.
 - The application for funding for the resolution of one of the CHALLENGES, through the website made available by Tech Transfer Agrifood, involves the acceptance of these requirements.
 - Failure to meet deadlines or comply with the requirements/procedures established in these REQUIREMENTS of participation will mean the withdrawal of the application.

5. Selection Criteria

Applicants must present a solution to the challenge posed, with the following features:

1. Investments must respond to CHALLENGES posed by Tech Transfer Agrifood.
2. The projects can be at different stages of maturity, a technology readiness level of (TRL)>4 is an essential requirement (proof of the prototype in a simulated environment), for scientific projects (spin outs/EBT, etc.) or Seed round / Start-up, for business projects.
3. To perform the selection of the initiatives, having one or more of the following evaluation criteria will be valued positively, depending on the stage of maturity the project is in:

Technology

- existence of “laboratory testing” being carried out or scientific evidence that demonstrates validated technology (TRL>4). To do so, it will be necessary to send the required technical documentation which proves the level of development submitted and technical validation. This validation will be an essential requirement for the proposal to move forward.
- any registration of intellectual/industrial property (patent, utility models, registration, code...),
- existence of a prototype/ demonstrator, in operation.
- in the case of companies where the technology does not belong to the business project, and it is a critical element for its exploitation, this should have a transfer agreement/licence which permits its use and/or exploitation.
- existence of identified and exceeded technological milestones.
- Concept Tests will be valued positively whose execution time is less than 12 months.



Product/Service

- that solves an identified challenge, which responds to a market need.
- that contributes differential and innovative factors.
- that are scalable initiatives and with growth potential.

Market/Competition

- that generates competitive advantages regarding other technologies or solutions that already exist.
- that identifies a market opportunity (commercial strategy and potential customers).

Business Model

- business model identified in the validation process.
- Market entry criteria, generally, is set in a time period of between 6 and 24 months.

Human Team

- who have technical and strategic capacities.
- who accept, depending on the stage of maturity of the project, the incorporation of commercial and entrepreneurial skills.
- (for startups in market phase) the economic implication or commitment to future investment of the promotional team in the current round will be evaluated.

Financial Requirements

- Initiatives with identified global financial requirements.
- acceptance of the condition of achieving the targets agreed in order to proceed with making the economic payments in each phase.
- the achievement or possibility of access to public or private funding will be valued.

4. Priority sectors: projects coming from the following sectors and subsectors will be prioritised:
 - a. Vegetable protein, formulation, production, distribution

- b. Experiential marketing, smart packaging/labelling, interaction at the point of sale, neuromarketing.
 - c. Logistics industry, traceability, Sensors localisation / Industry 4.0 / Food Safety Industry 4.0, AI, Deep learning, blockchain, robotics
 - d. Functional foods and recovery of by-products of the agrifood industry
 - e. Genetics/epigenetics
5. Costs excluded from being funded:
- I. Except in special cases, the costs associated with research staff, provided that this staff do not have a contractual agreement with the applicant Centre at the time of signing the contract. TTAF will fund up to 20% of the total budget of the POC associated to staffing costs.
 - II. Proposals in which the freedom to exploit the results developed from the POC cannot be guaranteed
 - III. Except in special cases, TTAF will not fund the laboratory team which is not an essential requirement for the scaled process. In this case, the team from TTAF will select the procedure to follow along with the applicant.

6. INVESTMENT

With an investment of up to **five hundred thousand euros (€500,000) per project** under the terms established in this document. The payments will be made in instalments (1-3) over a maximum of between **6 months and 24 months**. These payments will be done gradually, linked to meeting targets, according to the requirements of each project, its degree of maturity and risk.

The contribution may be implemented through **Research contracts** for the carrying out of concept tests or **capital injections and/or equity loans**, which may be capitalizable depending on the conditions agreed for the investment in startups.

7. PUBLICATION OF THE CALL FOR PROPOSALS AND SUBMISSION OF APPLICATIONS

Proposals can be sent using the application form that you will find on the Tech Transfer Agrifood www.techtransferagrifood.com website, where all additional information that participants deem of interest through the website can be provided. In case of doubt, request for clarification or further information, you can send your queries to the email address: retos@techtransferagrifood.com up to 24 hours before the registration deadline.

The business projects submitted to earlier calls may be registered again, provided changes that substantially improve its results or expectations of return to Tech Transfer Agrifood are proven.

Applications should be sent in Castilian Spanish or English, using the application form available on the website. Applications which are in other languages, incomplete, submitted on paper, by email or outside of the prescribed deadline will not be accepted.

8. SELECTION PROCESS

Once the proposals have been individually analysed, the representatives of the pre-selected proposals will be contacted in order to configure an investment proposal so that it can be approved by the different committees and boards that exist.

In total, the selection process will last between 2 and 4 months, to subsequently move to the **investment implementation** phase (for Start-ups, TBCs) or **contract agreement for Research and development** (for contracts for the execution of concept testing).

Being a selection process, CLAVE, with the support of the Investment Committee of Tech Transfer Agrifood and the Advisory Board, will carry out personal interviews exclusively of the applicants who have submitted projects and are passing each phase of analysis. In addition, CLAVE may count on the assessment of the proposals by experts, if applicable.

9. DEADLINES

The time period to submit the proposals will start at **9am on the date of publication on the website** and will end at midnight (Spanish peninsula time) on the second closing date. Tech Transfer Agrifood reserves the right to extend this deadline, communicating this in a timely manner through the usual channels of communication and, in any case, on the website www.techtransferagrifood.com

| TTAF_CALL | Launch | Close |
|-----------|-------------|--------------|
| 3rd call | 31 May 2021 | 31 July 2021 |

Any communication will be sent individually to the applicant.

10. GENERAL ANNEX

a. Acceptance of the requirements and guarantees

The submission of a proposal by the applicants involves the express acceptance of the terms and conditions expressed in these REQUIREMENTS.

No aspect of these REQUIREMENTS and call may be interpreted as an obligation to enter into a contract or establish any binding commitment with any of the applicants, by the manager or by Tech Transfer Agrifood, or by any of the participants of it. In this sense, the management company reserves the option to suspend, or revoke this call, temporarily or definitively, without being any claim being able to be made in this respect. Furthermore, the management company will have full power to suspend negotiations of phases of study of the projects selected at any time, without any claim being made in this respect.

By submitting their applications, participants guarantee the Management Company and Tech Transfer Agrifood:

- that the proposals submitted are original proposals of their representatives or authors and/or they have the free disposal of as many ideas, images or any other element they incorporate into their submission. The applicants will be solely responsible for the

possible infringement of any rights of third parties, Tech Transfer Agrifood and the management company will be exempt from liability in this respect.

- the applicant will indemnify any damage, loss, cost, harm, claims concerning the submission of proposals to the present or any other act connected with it.

b. Intellectual property rights.

This call must not be interpreted under any circumstances as the assignment of any industrial and/or intellectual property right held by the beneficiaries before the execution of the Concept Test or the investment, for the development of any other industrial / or intellectual activity.

At the time of the application, and at least until the execution of the concept test or investment carried out and, according to the agreements reached in the research contract or in the investment contract agreed between the parties, all of the intellectual / industrial property rights over the assets will belong to the applicant/applicants, in accordance with the participation REQUIREMENTS.

c. Confidentiality

The documentation submitted by the applicants will be confidential in nature and may only be used for the evaluation of the projects under the terms and for the purpose described in these requirements. Once the documentation has been submitted through the website, the applicants will receive a confidentiality agreement regarding the information submitted on the form.

In this sense, the applicants may request its return, if after one year their project has not been selected, without prejudice to the fact that the Management Company reserves the right to keep all of the documentation which is necessary to comply with the applicable law.

d. Duration of these participation agreements

The duration of these requirements, and the rights and obligations established will begin on the date on which the application is made, (i) date on which the applicant applies through the website for the solution of a CHALLENGE and (ii) it will automatically end once one of the following events takes place:

- a. mutual agreement in writing of the parties
- b. breach of the obligations of preservation and maintenance or disclosure of information according to the rules described in these REQUIREMENTS.

Notwithstanding the foregoing, the following sections will have a validity of 10 years: intellectual property rights, confidentiality, advertising about the participation in the call.

e. Data protection

The personal data provided by participants will be incorporated into an automated file belonging to **Clave Mayor, S.G.E.I.C. S.A. with registered office at Paseo Sarasate 3-4º 31002 Pamplona, Spain**, whose processing will be subject to Organic Law 3/2018, of 5th December, on the protection of data of a personal nature, and its development regulations for the purpose of being used to carry out as much processing as necessary for the development of the present call. Each participant has the right to access this file and rectify, cancel and/or oppose the processing of their personal data. In this case, they must expressly communicate this by sending written notice to the above address. More information at www.clave.capital