



VENTURE LAB

ACCELERATOR PROGRAM AND CONVERTIBLE LOANS FOR START-UPS

Guidelines for applicants

October 2022

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BASIC INFORMATION

Funding:

- Convertible loan of DKK 4M per project.
- Support grant of up to DKK 400,000 covering accelerator program costs.
- Support grant of up to DKK 420,000 subsidizing lab rental costs.

Application deadline:

February 01 2023, 14:00 (CET)

Online pitch day for invited applicants:

May 8th 2023: Women's Health

May 09th and/or 10th 2023: Planetary Health

May 11th 2023: Health Tech

May 12th 2023: Therapeutics

The pitches will take place between 14:00 and 20:00 (CET) due to an international panel.

Final approval notification: Early June 2023

Program duration: September 2023 – August 2024

Mandatory Bootcamp: August 2023

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**General questions, support
grants and eligibility**

1 THE VENTURE LAB PROGRAM

1.1 WHAT IS VENTURE LAB?

BioInnovation Institute's (BII) Venture Lab program supports early-stage start-ups in their journey from cutting-edge, transformative ideas into validated concepts.

The objective of Venture Lab is to address early-stage technical and commercial risks while developing resilient founders with strong leadership capacity. The goal is to accelerate the scientific maturity of the innovation to attract further funding that can bring new solutions and products to the market. In addition, BII prepares Venture Lab companies for further fundraising by helping with team development and commercial analysis. Venture Lab teams are located at our facilities in Copenhagen, Denmark.

There is also the opportunity to apply for follow on funding after Venture Lab through the Venture House Program. The Venture House program is an 18-month-long program and offers an add-on funding opportunity of a risk-free convertible loan of EUR 1.3M to support the early-stage start-ups that have already benefitted from BII's Venture Lab program. The program is designed to support business acceleration, scientific and team development. Further information will be provided to companies who are successful in the Venture Lab Program on how to apply. BII Venture House - <https://bii.dk/venturehouse/>

1.2 FOCUS AREAS

BII supports innovative life science projects within Human Health (therapeutics, health tech and women's health) and Planetary Health. Some of our key support areas in each vertical are listed below. If your project does not fall under any of the support categories, you might still be able to apply. Reach out to us to discuss the match with BII.

Focus areas	Human Health			Planetary Health
	Therapeutics	Health Tech	Women's Health*	BioIndustrials
Support areas	<ul style="list-style-type: none"> - CNS - Oncology - Inflammation - Metabolic diseases - Genetically defined diseases - Multiple indication potential - Platform technologies - Anti-virals 	<ul style="list-style-type: none"> - Digital therapeutics - Digital biomarkers - Continuous disease monitoring - Next-gen diagnostics - Transformative medical devices - Future therapeutics R&D - Predictive healthcare 	<ul style="list-style-type: none"> - Female-specific conditions (e.g. endometriosis, adenomyosis, uterine fibroids, PCOS, maternal health, menopause, female-reproductive tract cancers) - Conditions with high incidence/differential presentation in women (e.g. autoimmune diseases, heart disease, Alzheimer's disease, 	<ul style="list-style-type: none"> - Agriculture - Food & Beverage - Animal Health - Synthetic Biology - Platform technology - Materials - Carbon Capture

			chronic pain, depressive disorders) - Fertility and reproductive health (including female/male infertility, contraception)	
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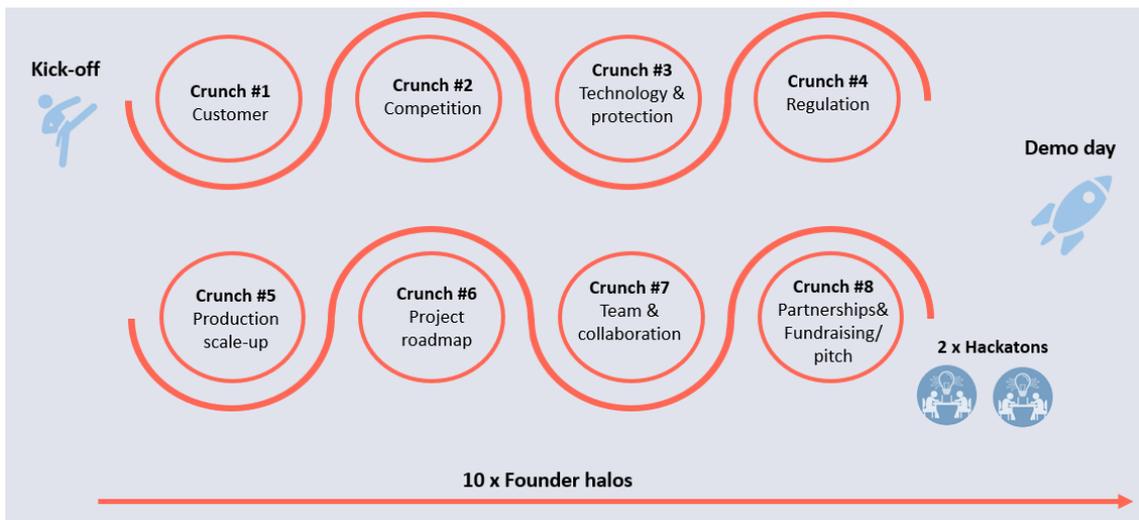
*both therapeutics and health tech solutions in Women’s Health

1.3 PROGRAM CONTENT

Venture Lab is a 12-month structured program covering three essential pillars of a life-science company’s journey: Science, Team, and Business.



The program starts with a Bootcamp where companies get to know each other and create an action plan for the coming 12 months. Once a month, you will dive into a specific topic of building a company – this is what we call a crunch. The program consists of 8 crunches and 2 hackathons to prepare for Demo Day where you will pitch in front of relevant investors and ecosystem stakeholders.

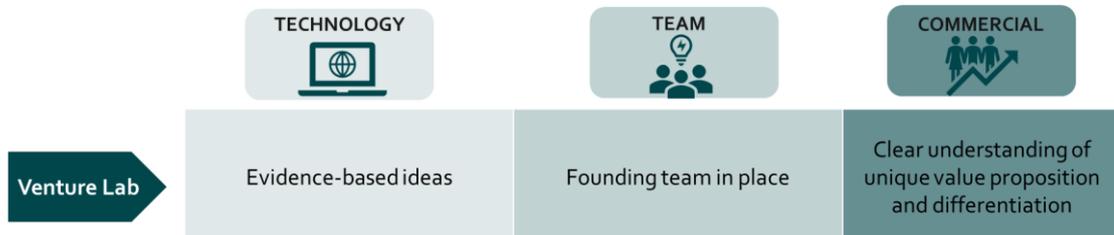


In each crunch, you will learn new vocabulary, get introduced to new tools and inspiring international speakers and work on case studies. At the end of each crunch, you generate an actionable component in your business plan. As part of the program, you also develop your leadership competencies in monthly sessions with our Leadership Coach, as well as learn how to build a high-performance team.

1.4 ELIGIBILITY - WHO CAN APPLY?

Readiness: Technology, team, and commercial validation

At BII, we are looking for novel ideas addressing unmet needs. For Venture Lab, make sure you can agree to the three pillars. If you are in doubt, please reach out to one of the contact persons listed on page 3.



Company status

Applicants must establish a company with a Danish registration number to receive funds. However, it is possible to apply *without* a company, but you must be willing to establish one, and you must provide us with a preliminary cap table. The new start-up may collaborate with the founders' laboratory or other groups required to execute the business plan. BII partners can assist with establishing your company.

Presence at BII

It is mandatory for at least one empowered representative of the start-up (founder/management) to be present at the Bootcamp, monthly crunches, and Demo Day. Furthermore, the Founders must be able to participate in monthly sessions with our Leadership Coach. It is highly recommended that the full team is present for key events such as Bootcamp, Demo Day, and Crunch 7 (Team & Collaboration). In general, we recommend that you build and run your company at BII. We expect physical participation in the program which can be achieved by travelling to Denmark monthly.

Right to reside and work in Denmark

Team members physically present at BII must have the right to work and reside in Denmark at the time of project initiation¹.

IPR

You are not required to have generated or filed IP but must have an idea of what could be generated. If your company will be based on already generated IP, ideally the IPR is already owned by or licensed to your company. For companies under establishment, we ask that you provide a draft Term Sheet from the IP owner (e.g. university tech transfer office) stating willingness to enter into an exclusive license agreement on market terms.

¹ The process of establishing a company and obtaining work permit differs for EU citizens and Non-EU citizens. If you are not an EU citizen, please contact Copenhagen Capacity, Niels Thun Andersen (nta@copcap.com), before initiating an application.

LIMITATIONS

- Venture Lab can only support early-stage companies with **no commercial investments/ownership**. Companies that have received commercial investments, certain types of loans or are owned by corporates, investors, foundations, venture builders are typically disqualified from applying. Please see the *annex* of these guidelines and contact BII (Hannah Ochala HOC@bii.dk) well in advance for an evaluation of your eligibility.
- If you have received funding for the project or parts of the project (for either company or research) from other sources, BII cannot fund the same activities.

Please read "Terms and conditions for BioInnovation Institute" before applying:

<https://bioinnovationinstitute.com/terms-and-conditions-for-bioinnovation-institute/>

1.5 EVALUATION CRITERIA

The evaluation will be based on the following criteria:

Scientific novelty

- The idea is original and has the potential to solve a significant societal or health-related problem.

Commercial potential

- The unmet need, commercial potential, and impact are well described.
- It is clear how the idea is different from competing products on the market (or in the development phase).

Team

- The founding team has a strong track record of scientific and/or entrepreneurial success.
- The founding team has a desire to learn about the commercialization of science in a start-up.
- Teams committing to working from or building an operational team at BII will have preference.

Funding readiness

- During the Venture Lab program, the company reaches key achievements which enable further fundraising (dilutive or non-dilutive funding) following the program

1.6 FUNDING THROUGH A CONVERTIBLE LOAN NOTE

The Venture Lab Program provides start-ups with convertible loans. A convertible loan note is a type of short-term debt that may be converted into equity shares at a later date based on predefined terms. Each convertible loan is DKK 4 million paid in 1 tranche. The tranche is paid upon project initiation after agreement of milestones to be reached. These can be a mix of technical, commercial, and team development milestones. The program is 12 months at BII.

Loan Terms – Venture Lab	
Interest rate	3%
Maturity	3 years
Conversion discount	Increasing to incentivize funding*
Conversion trigger	External investment (approx. 15M DKK)
Share type	Common shares

* 0-12 months: 0%, 12-24 months.: 10%, 24-36 months: 20%, > 36 months: 30%.

The loan includes no personal guarantees of repayment from the founders. In case of liquidation (company closure) the unrepaid balance of the loan may be converted into a grant from BII.

The convertible loan note must be signed by the company, the founders of the company and the existing shareholders in the company. For further information on the parties to the convertible loan note, please contact BII.

The convertible loan **must** cover costs such as:

- Communications activities (pitch deck development, public relations, website creation where needed).
- Market analysis (market reports and database access where needed).
- Soft funding: Grant writing assistance.
- Due diligence costs.
- Venture Lab program fee².
- Rent at BII³.

The convertible loan **can** cover costs such as:

- Research activities e.g. consumables, testing, and experiments that strengthen the commercial potential of the project idea/invention, CRO activities, and use of university core facilities.
- Development of MVP, prototypes, and chemistry, etc.
- Salary for employees and board members.

² The program fee covers the 12-month acceleration program, i.e. coaches, bootcamp etc. BII will provide a Support Grant of up to DKK 400,000 to cover the costs.

³ 2022 prices:

Basic minimum rent (3 office desks) without lab access: DKK 15,000/month: No support grant offered for this option.

Basic minimum rent with lab access: DKK 65,000/month: The rent includes access to 2 lab benches and 3 office desks. BII provides a support grant of DKK 35,000/month.

If more space is needed, the price is DKK 30,000/month for an additional lab bench (with an office desk) and DKK 5,000/month for an additional office desk. The staff number can be adjusted quarterly.

- IPR associated costs (and when agreed in advance reasonable license agreement fees).
- Regulatory strategy and compliance.
- Team education and leadership development.
- Travel costs and conferences where appropriate (including participation in BII events).

Expenses not covered by the loan:

- Company incorporation: Minimum share capital of DKK 40,000⁴.

The budget you submit at this stage is preliminary. If your application is approved, you will work with your BII Anchor to create a final budget for the company.

1.7 BEING PART OF THE BII COMMUNITY

BII believes our value lies in more than the money we provide. We expect an ongoing dialogue with BII projects to help you achieve your milestones and post-BII funding. You will be expected to attend regular meetings with the BII team and participate in relevant activities. As part of the BII ecosystem, you will also become part of a Venture Lab cohort with other companies, and we will pair you up with other founders that are going through the same challenges.

2 APPLICATION PROCESS

2.1 CREATING AND SUBMITTING AN APPLICATION

Applications consist of i) a 4 minute video ii) a written online form iii) a pitch deck and must be submitted in ATLAS - BII's funding platform provided by SmartSimple. (Please refer to section 3 for further elaboration on application contents).

Access the system here: <https://bioinnovationinstitute.smartsimple.ie/>.

You can save and re-edit your draft proposal until the deadline. After submission, it is *not* possible to reopen and edit the application, so please make sure you have entered the correct information. At any time, you can download a PDF version of your application. Once the application has been submitted, you will receive a confirmation e-mail from SmartSimple. If you do not receive this (please check your spam folder), you should contact BII. If you wish to withdraw a submitted application after the deadline, you must also contact BII.

2.2 EVALUATION

BII reviews and evaluates applications in three steps:

Step 1 - BII screening: The Business Development team reviews all applications and selects the most promising applications for further review of the written application and the pitch deck (see instructions for application material in section 3.3). Top applicants are selected for further diligence.

⁴ The share capital is not regarded as a cost and is not blocked but may instead be used as part of the operating capital. Read more on establishing a Danish company here: <https://www.copcap.com/set-up-a-business/register-a-company>

Step 2 - Due diligence: BII's due diligence partners review the applicants' projects in terms of commercial and scientific/technical aspects to identify the most promising candidates for BII funding.

Step 3 - Pitch: Selected applicants are invited to pitch in front of one of BII's [Program Advisory Groups](#), who will provide recommendations for BII. The Program Advisory Groups consist of experts and VCs working within Human Health (Therapeutics – Therapeutics Advisory Group, Health Tech – Health Tech Advisory Group, and Women's Health – Women's Health Innovation Panel), and Planetary Health (BioIndustrials Advisory Group). Please make sure to pre-book the time for the pitch already now. Finally, the BII Board of Directors makes the final decision based on recommendations from the Program Advisory Group and BII.



2.3 CONFIDENTIALITY

We are committed to treating all applicant information confidentially. Our due diligence partners and Program Advisory Groups have signed confidentiality agreements protecting your information. Program Advisory Group members will declare a conflict of interest if they work on/with a project with the same target as the applicant. On occasions, we need to engage other experts (e.g. Key Opinion Leaders or scientific experts). For this, we will solely use the non-confidential slide deck you provide.

3 APPLICATION CONTENT

This section provides guidelines on the content required in the various sections of the online application form. In ATLAS you will see tabs under which you must provide the following information:

3.1 CONTACT PERSON

CONTACT INFORMATION

This is an overview of the contact information you already provided when signing up. You can edit this information in your profile if needed.

PUBLICATIONS

If relevant, please list up to 10 relevant publications by you (or your co-founder/team members) related to this project.

3.2 COMPANY

In this section, you must provide us with information about your current company - or company-to-be. We ask for this information to make sure you comply with our eligibility rules (see Annex 4).

Basic Information

- Company Status
- Company Name
- Location
- Registration Number
- Is your company a spinout?
- Where was the company's idea generated?

Eligibility

We need to ensure that all applications meet our eligibility criteria (see Appendix 4)

- Cap table (or expected cap table)
- Company ownership structure/company group diagram
- List of ultimate beneficial owners
- Information about loans/investments/warrants/options

The information needed will vary depending on your company status (Danish company, Foreign company, no company). Please make sure to log in and finalize this in due time before the deadline.

3.3 THE VIDEO

VIDEO PURPOSE

We request you to send in a 4 minute video which we will use in a first screening to select applications for further reading.

VIDEO CONTENTS

Please, make sure to highlight the unique selling points of your project and how this differentiates from competing or alternative technologies. We welcome creative ideas for videos; however, we equally value a voice over of power point slides with a video of the presenter/team. We are very interested in the key data that you have already generated. One powerful data slide that is properly framed and explained is worth more than flashy video productions. It is also hard to do – so don't leave it to last minute.

Make sure to communicate:

- The problem that you are addressing
- Your proposed solution, the underlying (bio)technical principle and your current key data that supports your hypothesis (both proprietary or found in literature)
- How your proposed solution differentiates from the current golden standard and other competing technology
- The milestone(s) that you want to achieve during Venture Lab to secure external funding and how BII can help you
- Who is the current team or what will be the profile of the team that you will assemble during Venture Lab? Why this team is suitable to succeed?

3.4 THE PITCH

COMPANY ONE-LINER

Your company/idea explained in one sentence.

NON-CONFIDENTIAL IDEA DESCRIPTION

Describe - in brief and layman's terms - what you want to do (1000 characters including spaces).

AREA OF TECHNOLOGY

Please select one of three areas and a subcategory.

MOTIVATION

- 1) **Motivation and vision** – Tell us why you want to be a part of BII and the vision you have for your company. How can the BII help you achieve your vision? (300 characters including spaces)
- 2) **The problem** – Describe the problem you aim to solve, and the unmet need you address (1000 characters including spaces).

THE INNOVATION

- 3) **Solution and value proposition** – Describe how you will solve the problem, how your solution creates a significant impact for society, people, and/or patients, and how your technology is superior to currently available solutions (1000 characters including spaces).
- 4) **Scientific rationale** – Describe the crucial underpinning scientific evidence to support your solution (it could be based on someone else's data). (1000 characters including spaces)
- 5) **Key data** – If you have it, sum up your own key data and recent milestones (e.g. PoC). Explain what data is yet to be generated – what are your critical experiments? The key data should be present in one of your slides and in the video presentation. If you don't have any data at this point, provide a plan to obtain key data and present key milestones; explain what kind of data you will need (1000 characters including spaces).

THE BUSINESS CASE

- 6) **Market and customers** – Describe potential customers and users of your solution. Describe your target market including market size, trends, and relevant characteristics (1000 characters including spaces).
- 7) **Competition** – List most relevant competitors and/or alternative solutions and provide relevant characteristics to compare with your solution (for example maturity, price, positioning, quality, geographies, target group, etc.). You could add a competitor matrix in your slide deck (1000 characters including spaces).
- 8) **Commercialization** – Describe your suggested business model, pricing strategy (e.g. cost of goods, unit economics), and commercialization strategy. Describe the anticipated regulatory strategy for your product emphasizing the requirements to reach the market (1000 characters including spaces).
- 9) **IPR** – If existing, please describe current IP incl. application number(s), and where relevant, highlight key licensing terms. Additionally, describe any third-party IP incl. application number(s) that may be required for the successful completion of the project and briefly why it is required. Describe your plan for protecting new IP generated in the project (1000 characters including spaces).

TEAM & COLLABORATIONS

- 10) Key Opinion Leaders (KOLs) and Partners** – Please elaborate if you have received interest from partners – e.g. industry experts or other KOLs (1000 characters including spaces).
- 11) Team** – Provide an overview of the current team and describe how gaps in competencies will be addressed (e.g. new hires). Describe where the team will be working from with an emphasis on presence at BII. Please describe Board and Advisory Group if applicable (1000 characters including spaces).

THE PROJECT

- 12) Project goal and development plan** – Describe overall goal for the time at BII. List key activities and major milestones. You could add a GANTT in your slide deck (1000 characters including spaces).
- 13) Risks** – Describe and highlight the project risks (e.g. scientific, technical, legal, regulatory, commercial) and present a risk mitigation strategy. You could add a risk matrix in your slide deck (1000 characters including spaces).

What information to include where?		
Do not provide	Confidential deck + application +video	Non-confidential deck
<ul style="list-style-type: none"> Strain Sequences Chemical Structures Amino acid sequences Any other chemical or biological information that identifies your product 	<p>Therapeutics: Target, MoA, indication, explanation of underlying technology and supporting data.</p> <p>Health Tech: Product features & performance data from the actual use case. Confidential commercial information such as customer pipeline, ongoing customer discussions</p> <p>Women’s Health: depending on the nature of the proposed solution either therapeutics or health tech expectations (see above) apply.</p> <p>Planetary Health: Titers / yields, Fermentation / production times / timelines, COGs</p>	<p>Cover as many of the 12 questions a possible in as many details as possible given your situation.</p> <p><i>If possible⁵</i>, for therapeutics include MoA and target, for planetary health include info on GMO/non-GMO, and scale-up status, for health tech, product features, and performance data.</p>
<p>If your project is shortlisted for further due diligence, we might ask you to share this with a very limited number of people under a specific CDA</p>	<p>The deck and video should support the written application of the pitch section, but ideally should be able to stand alone as a presentation of your idea (please refer to section 3.3 and 3.4 for a detailed description of contents).</p>	<p>The deck must be able to stand alone as a project and company presentation. In general, the more you can share, the better feedback we can get during due diligence.</p>

⁵ If disclosure of information is dependent on e.g. publications, patents, trade secrets, we understand that you might not be able to share much information in the non-confidential deck.

3.5 BUDGET

TOTAL AMOUNT

You apply for a fixed sum of DKK 4M. Enter the number without decimals, commas, or spaces (4000000).

BUDGET UPLOAD

Use the BII budget template provided in the application system to complete the budget for the 12 months at BII. This is a preliminary budget. In case your application is approved, you will work with your BII Anchor to adjust. The budget must be uploaded in PDF.

OTHER FUNDING RECEIVED

We think it is great if you have already received non-dilutive funding for your project or company. Please list the funding you have received. If you have received funding for the project or parts of the project from other sources, BII cannot fund the same activities or human resources. If you receive funding for the project or parts of the project from other sources *after* applying, you must inform BII.

The BII convertible loan can be used to co-finance projects funded through soft funding (e.g. EU projects or Danish InnoBooster).

3.6 UPLOADS

In this section, you must upload the following documents:

- Video (maximum 4 minutes) – we recommend you do a speak over your slide deck using the recording function of Power Point ([GUIDE](#)). However, feel free to use a different format.
 - The problem
 - Solution/Value proposition
 - Differentiation
 - Milestones
 - Team
- Primary confidential slide deck supporting the project description (maximum 20 slides).
- Non-confidential stand-alone slide deck (maximum 15 slides). Note that the application PDF will not merge the non-confidential deck.
- Short CVs of a maximum of 2 pages per person (applicant and key team members).
- Documentation that all necessary IP licenses are in place or a Term Sheet or Letter of Intent from the IP owner (e.g. University Tech Transfer Office) stating willingness to enter into an exclusive license agreement.

Failure to provide these may result in administrative rejection of your application. Please leave out additional uploads (e.g. articles or patent applications) unless otherwise agreed.

4 ANNEX

4.1 OWNERSHIP, INVESTMENTS AND LOANS IN APPLICANT COMPANY

Venture Lab can only provide loans to early-stage companies with no commercial investments and/or ownership.

For established companies, we need to know who owns the company, which role each plays, and if the company has taken in any investments, issued warrants/options, or accepted loans.

For companies to be established in case of funding, we need to know who the founders will be and what role each plays. If your company (or company to be) is owned by another company, the restrictions apply to this company as well (ultimate beneficial owners).

The table below indicates if a certain type of loan or for-equity investment/ownership is accepted. It is the responsibility of the applying company to inform BII of any potential issues. In case of any doubt, please contact BII (Hannah Ochala HOC@bii.dk) before initiating an application (see contact information page 3).

	Founders/ employees – personal ownership	Family & friends	Universities	Business angels	Non-profit entity [4]	For-profit entity (non-profit funding) [4]	For-profit entity (for-profit funding)
Equity <i>Incl. following exercise or conversion</i>	Yes	Yes [1]	Yes [1][2]	Yes [1][3]	Yes [1]	Yes [1]	No
Warrants/options <i>Incl. combination with loans or grants</i>	Yes	Yes [1]	Yes [1][2]	Yes [1][3]	Yes [1]	Yes [1]	No
Convertible loans	Yes	Yes [1]	Yes [1][2]	Yes [1][3]	Yes [1]	Yes [1]	No
Simple loans	Yes	Yes [1]	No	No	No	No	No
Grants (non-dilutive)	Yes	Yes	Yes	Yes	Yes	Yes	Yes

- 1) The founders and employees must be the majority shareholders of the company and must control more than 50 % of the shares and voting rights both before and after the investment(s).
- 2) For example, as part of IP deal.
- 3) The investment must be as part of an active participation in key operations of the company.
- 4) Subject to case-by-case assessment of previous financial support and previous financial support giver. Financial support must have been given with a not-for-profit purpose aimed at early stage, high-risk/high-loss, research driven companies in their earliest stages of development. Financial support giver must, in the relevant program, have a similar focus as BII in its grant giving, i.e. (a) be not for profit with focus on early-stage research projects and research-driven companies in their establishment phase, and (b) working within a high risk/high loss scenario.

About BioInnovation Institute Foundation

The BioInnovation Institute Foundation (BII) is an international commercial foundation with a non-profit objective supported by the Novo Nordisk Foundation. BII operates an incubator to accelerate world-class life science innovation that drives the development of new solutions by early life science start-ups for the benefit of people and society.

BII, located in Copenhagen, Denmark, offers start-ups and early-stage projects within Human health (health tech and therapeutics), and Planetary Health state-of-the-art labs, vibrant office facilities, business development, start-up business incubation, access to high-level mentoring and international networks, plus unique funding opportunities.

Since the inauguration of BII in November 2018, BII has awarded more than 50 million euros to 70 high-growth start-up companies. Read more on www.bioinnovationinstitute.com

