



BFFood

business factory

PROGRAMME TERMS

6

EDITION



Content

1- INTRODUCTION	4
2 -FEATURES OF BFFOOD	5
2.1 - DIFFERENTIAL ASPECTS OF BFFOOD	5
2.2 - RESOURCES MADE AVAILABLE TO PROJECTS	6
2.3 - PROGRAMME PRIORITIES	6
2.4 - PROGRAMME PHASES.....	7
I. CALL	7
II. SELECTION.....	7
III. ACCELERATION	8
IV. CONSOLIDATION	9
2.5 – CALENDAR	9
2.6 - FINANCING CONDITIONS	9
GAIN & XESGALICIA FINANCING	9
VI. EXTERNAL FUNDING	11
3.- TERMS AND CONDITIONS	13
3.1.- Minimum requirements.....	13
3.2.- Project eligibility criteria	14
3.3 - Evaluation criteria	14
3.4 - General commitments	15
3.5 - Requirements to be met in the course of the acceleration and consolidation phases.....	16
3.6 - Incompatibilities	16
4 - LEGAL ASPECTS	17
4.1 - Acceptance of the terms and conditions.....	17
4.2 - Liability.....	17
4.3 - Intellectual Property	17
4.4 - Disclosure of Information.....	18
4.5 - Communications.....	18
4.6 - Protection of personal data	18
4.7 - Complaints.....	19
4.8 - Miscellaneous	19
ANNEX I: REGULATION OF THE CONDITIONS OF THE SUBSIDIES TO BE GRANTED BY THE GALICIAN INNOVATION AGENCY TO THE PROJECTS SELECTED FOR INCORPORATION INTO THE ACCELERATION PHASE.....	21
ANNEX II: DOCUMENTATION TO BE SUBMITTED TO XESGALICIA FOR THE FINANCING OF EACH OF THE PROJECTS IN THE ACCELERATION AND CONSOLIDATION PHASE.....	26

ANNEX III: TOPICS OF SPECIAL INTEREST AND CHALLENGES OF THE CALL 28

CHALLENGE 1 - Digitalization and automation 28

CHALLENGE 2 - Traceability, quality and food safety 28

CHALLENGE 3 - Logistics..... 28

CHALLENGE 4 - Sustainability..... 28

CHALLENGE 5 - New Product Development 29

CHALLENGE 6 - Process Innovation and Commercialization 29

CHALLENGE 7 – Free Challenge 29



1- INTRODUCTION

BFFOOD is an initiative promoted by the Xunta de Galicia through the Galician Innovation Agency (GAIN), the Galician Institute for Economic Promotion (IGAPE) and the Management Company of Closed Investment Entities (XESGALICIA); coordinated by the Galician Food Cluster (Clusaga), and has the participation of large tractor companies in the sector, as well as other collaborating entities in the sector.

Its objective is the acceleration and consolidation of specialized projects in the food sector and their transformation into innovative, viable and scalable companies that attract and retain talent; thus contributing to strengthening the positioning of the sector and increasing its international projection.

With the vision of becoming a benchmark in the promotion of open and disruptive innovation in the food sector, it is deployed in three strategic axes focused on the promotion of entrepreneurial culture, the development of an open innovation ecosystem and the promotion of the business fabric. And for this, it has the leadership of the industry and the support of the necessary agents to consolidate an innovation ecosystem in the food sector in Galicia.

The purpose of the rules that are displayed here is to explain the characteristics of the program, the terms and conditions of participation of the projects that are submitted to the call and, finally, the legal aspects for the relationship between the participants and BFFOOD.

In the section, "Characteristics of BFFOOD", the initiative is presented, including the differential aspects, among which the leadership of the industry and the support for the complete project cycle, the resources made available to the projects and the financing conditions stand out.

In the next section, "Terms and conditions", aspects that are important for the participation of projects in BFFOOD are detailed, such as the eligibility or evaluation criteria of the projects, as well as the requirements on the projects during the acceleration and consolidation phases.

In the section dedicated to "Legal Aspects" topics such as responsibilities, intellectual property or the protection of the personal data of the participants in the program are discussed.

Finally, the "Annexes" contain the entire list of documentation to be submitted for the application and justification of the financing of the different entities; GAIN and XESGALICIA. Likewise, in the last annex, the topics of special interest defined by and for the food sector are collected.

2 -FEATURES OF BFFOOD

This section deals with the characteristics of the Business Factory Food structured in the differential aspects, which differentiates this program from other similar initiatives, the



resources that will be made available to the participants, the phases in which the program is structured, the calendar of this edition and the financing conditions.

2.1 - DIFFERENTIAL ASPECTS OF BFFOOD

Vertical character

Business Factory Food is a vertical accelerator focused on the food sector. This brings significant advantages to the participating projects, which can count on mentors and tutors who are fully expert in the sector and have a specialized network of contacts; and that also share a process of acceleration and/or consolidation with projects in the same sector of activity, with the consequent generation of synergies.

Industry-Led

Project led by the Galician Food Cluster – Clusaga, supported by the Xunta de Galicia, Galicia, and the following companies in the Galician food sector: Cafés Candelas, Grupo Calvo, Casa Grande de Xanceda, Ceamsa, Clavo Food Factory, Congalsa, CLUN-Cooperativas Lácteas Unidas, Corporación Laber, DS Smith, Gadisa, Galacteum, Grupo Lence, Grupo Pereira, Kiwi Atlántico, Larsa, Bodegas Martín Codax, Nueva Pescanova, Quescrem, Torre de Nuñez, Vegalsa, Viña Costeira and Hijos de Rivera.

Proven training program

Training program in charge of the three Galician Universities, with a teaching panel made up of professionals of high prestige and thematic experience.

Open Innovation Ecosystem

Supported by all the agents of the open innovation system: technology centres, clusters, universities, etc.

Promotion of entrepreneurial culture in the ecosystem

Development of a community in which entrepreneurial initiatives find a propitious and favourable space.

Full-cycle support

Through the appropriate instruments of training, acceleration and investment and a consolidation phase that allows a sustainable development of companies.

International Reach

Ability to attract talent at a global level, providing a training and support program to teams.

2.2 - RESOURCES MADE AVAILABLE TO PROJECTS

BFFOOD coworking space

The participating projects can be located in the facilities that the Galician Food Cluster makes available to the BFFOOD in the FEUGA building, in Santiago de Compostela. This coworking space favors the creation of an environment conducive to the proper development of the project. There are also individual rooms available for all projects for individual meetings.



BFFOOD Training

The Business Factory Food program has mandatory training sessions in the acceleration phase and voluntary in the consolidation phase, in which project promoters will be able to acquire the knowledge and skills necessary to carry out their entrepreneurship project successfully. The training will be given by experts from the universities, who will try to guide each team and each project to obtain the desired results with the application of their knowledge.

Tutoring

Each of the projects will have a specific mentor belonging to one of BFFood's driving companies, with a career and experience in the specific field of the project, who will be in charge of driving their evolution and guiding them in their development, facilitating the alignment of the project's value proposition with the resolution of the challenge.

Networking

Among the activities planned by BFFood is to promote *networking* between the projects and the different institutions, companies and other entities in the food sector, favoring the creation of bridges and communication channels that increase the visibility of entrepreneurial initiatives in the ecosystem of the food sector, as well as with other relevant institutions.

Financing

The projects will have the following financial support through GAIN and XESGALICIA:

- GAIN: amount of €25,000.00 per non-refundable project in the acceleration program
- XESGALICIA: for each of the companies selected in the acceleration phase, financing through a participative loan that could entail a capitalization option of up to a maximum of 50,000 euros. In the case of consolidation projects, financing through a participative loan that could entail a capitalization option of up to a maximum of €250,000.

Catalogue of infrastructures, resources and technical services

The participating projects will have access to a catalogue of infrastructures, means and technical services that will facilitate and accelerate the development of the projects, which are made available to entrepreneurs by both companies and BFFood collaborating entities.

Direct contact with the Galician food sector

Business Factory Food is the gateway to the food industry. Participating in the program can help your company/project to develop and give it greater visibility to be able to reach companies in the sector. BFFOOD is a tool where your project stays in contact with other projects related to the Galician food sector.

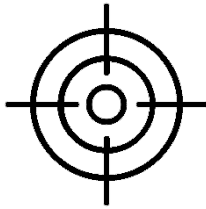
2.3 - PROGRAMME PRIORITIES

The challenges, set out in Annex III, have been formulated by the sector in line with sectoral innovation needs and approved by the Executive Board, and are applied to provide a thematic focus to the call and select candidate projects.

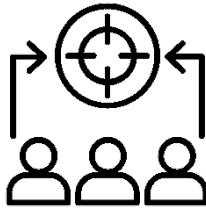


2.4 - PROGRAMME PHASES

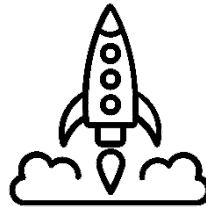
The initiative consists of four main phases, as follows:



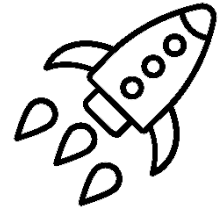
CALL



SELECTION



ACCELERATION



CONSOLIDATION

I. CALL

Opening of the project registration period through the BFFOOD website (www.bffood.gal). To register a project, a form must be completed on the website itself, after registering on it. If you have any questions about the process, candidates can contact CLUSAGA:

Switchboard: +34 981 556 062
BFFOOD Mobile: +34 629 99 10 23
Email: bff@clusaga.org

The call phase will include the recruitment of projects for participation in the acceleration and consolidation phases.

II. SELECTION

All those projects that comply with the terms and conditions set out in these rules will be valued. To validate this criterion, only the information provided on the website (form) will be taken into account.

The selection of projects will be carried out to assess all those projects that meet the terms and conditions set out in the terms and conditions of the call. The selection will take place in two steps:

1. Compliance with the minimum requirements and eligibility criteria contained in these regulatory bases, which will be evaluated by the Management Team, which may require the amendment of the documentation submitted if it is incorrect.
2. Quality of the project and suitability of the equipment for its start-up with guarantees, which will be evaluated by the Executive Committee which, for this purpose, may request reports from the tractor companies, universities, technology centers and other entities of the Technical Committee.
3. Adaptation of the project to the challenges and priorities established in the call and included in Annex IV of these rules.

In the evaluation of the registrations, up to 20 projects will be selected for each acceleration and consolidation program from among the eligible candidates, who will then be interviewed personally and will participate in Pitch Day before the Executive Council where they will present their projects in person.

After the Pitch Day, the Executive Committee, made up of designated staff from the promoting entities: GAIN, IGAPE, XESGALICIA and CLUSAGA, will select a maximum of 10 projects to participate in the acceleration phase and a maximum of 6 projects for the consolidation phase.

The selected projects:

- They will receive a formal invitation to join the acceleration or consolidation phase of the program. This proposal will be valid for 5 calendar days to be formally accepted by the entrepreneurial team. Otherwise, the Executive Committee of the programme may extend the invitation to the next project in the ranking of projects.
- Once they accept the invitation to participate in the BFFood programme, and after the individualised analysis of the project's development needs in relation to all the services provided by BFFood, the projects will sign the Framework Agreement with the programme. This agreement will include the commitments made by BFFood and the participating entities to support the project during its participation in the program.
- Likewise, the financing agreements will be signed, which will be as many as the financing entities decide to finance the selected project, being able to establish rights and obligations bilaterally between the financing entity and the project.

III. ACCELERATION

The selected projects that have accepted the proposal and have accredited the conditions of participation in the programme may be incorporated into the acceleration phase.

The Acceleration phase – lasting 9 months – includes a series of activities including:

- General technical training, of value for all projects.
- Coaching on business, management, financing and other issues.
- Mentoring: each team will have a mentor from the food sector.
- Networking: joint activities through which projects can share experiences, collaborate and interact with other agents such as participating in exhibition sessions, visits to companies and others.

These activities are carried out in accordance with an acceleration program whose basic objective is to speed up the process of project development, from conception or ideation to the achievement of a marketable product or service, in accordance with the following steps:

- Validation of the identified need.
- Design of a business model.
- Development of a minimum viable product (MVP).
- Execution of an iterative process (pivoting) with representative customers.
- Obtaining first orders.

IV. CONSOLIDATION

As in the acceleration phase, the selected projects must accept the proposal and prove the conditions of participation in the programme in order to join the consolidation phase. This phase lasts up to 12 months, during which the participating companies will be sought through training, mentoring and *networking*

Establish yourself in the market and generate recurring sales/revenue.

2.5 – CALENDAR

The registration period or *call phase* will begin from the publication of the opening of the call on the BFFood website (www.bffood.gal) and will last **up to 3 months**. Only project registrations that are received within the established deadline and through the means enabled for this purpose (BFFOOD website) will be evaluated in the program.

At the end of the registration period, the *project evaluation and selection phase will begin*, also with a **maximum duration of 2 months**.

Before starting the acceleration and consolidation phases, they will have a maximum period of 1 month from the receipt of the invitation to participate in the acceleration or consolidation program for the provision of documentation, the signing of contracts and other previous activities.

Subsequently, those projects selected for the acceleration phase and the consolidation phase will begin their corresponding programmes.

The final deadlines and dates will be published on the BFFOOD website.

2.6 - FINANCING CONDITIONS

The funding proposed from BFFood is a combination of the following modalities:

- Funding GAIN and XESGALICIA
- External funding

GAIN & XESGALICIA FINANCING

ACCELERATION PHASE.

The funding will be structured as follows:

On behalf of GAIN:

Non-repayable financing: up to €25,000 for projects, provided that the commitments of the Framework Agreement are met and that the Executive Board validates the completion of the first phase in accordance with the conditions required in the support plan signed by the accelerated project. In order to make this direct grant effective, it will be necessary to sign

an agreement between GAIN and the project prior to the Acceleration Phase and to provide the documentation indicated in Annex I of these Bases.

The incompatibility of the aid granted by GAIN to projects that participate or have participated in other acceleration programs financed with funds from the Xunta de Galicia or that have received funding from GAIN in such programs is established.

On behalf of XESGALICIA: ACCELERATION PHASE.

Financing by Xesgalicia, SGEIC, S.A., which may be articulated through: [a participative loan that could entail a capitalization option by Xesgalicia, of up to a maximum of fifty thousand euros \(€50,000\)](#), through the Investment Fund that best suits the evolution phase of the projects selected in the acceleration phase of each call. In the event that the company so requests and within the framework of a financing round, a direct stake in the company's capital may be considered.

General characteristics of the financing:

Amount: up to €50,000.

Maximum term: up to 7 years.

Grace period: up to 2 years.

Interest rate: fixed (quarterly Euribor + 4%) + variable (to be determined).

Susceptible to capitalization.

The loan may have several disbursements depending on the fulfillment of the milestones of the business plan.

The maximum period to submit the application for funding to XESGALICIA through the BFF program will be 12 months from the time the projects send their acceptance to participate in the acceleration phase.

CONSOLIDATION PHASE.

Financing by Xesgalicia, SGEIC, S.A., which can be articulated through:

[Participative loan that could entail a capitalization option by Xesgalicia, of up to a maximum of two hundred and fifty thousand euros \(€250,000\)](#). Xesgalicia, Sociedad Gestora de Entidades de Inversión de Tipo Cerrado, S.A.U. will be able to finance through the investment vehicle that best suits the evolution phase of the projects selected in the consolidation phase of each call. In the event that the company so requests and within the framework of a financing round, a direct stake in the company's capital may be considered.

The amount of the funding may have several disbursements and will be conditional on other funders or partners contributing at least the same funding to the project (monetary contributions) from the date of submission of the project to the BFFood call. In the event that the amortization of the financing with other financiers is less than 5 years, the amortization of



the Xesgalicia participative loan will be made in proportion to the financing that served as the basis for the granting of the participative loan.

General characteristics of the financing:

Amount: up to €250,000.

Maximum term: up to 7 years.

Grace period: up to 2 years.

Interest rate: fixed (quarterly Euribor + 4%) + variable (to be determined).

The maximum period to submit the application for funding to XESGALICIA through the BFF program will be 12 months from the time the projects send their acceptance to participate in the consolidation phase.

OTHER CONSIDERATIONS

Funding from Xesgalicia will be available both in the acceleration and consolidation phases, if selected projects meet the following conditions:

- Pass the process of analysis of the investment by the Xesgalicia team, for which the documentation described in Annex II must be provided.
- Have the company incorporated, have the main centre of activity and its registered and tax address in Galicia.

The amount of funding is conditional on other partners or funders contributing at least the same funding to the project from the date of submission of the project to the BFF call. In the event that the amortization of the financing with other financiers is less than 5 years, the amortization of the XESGALICIA participative loan will be made in proportion to the financing that served as the basis for the granting of the participative loan.

This financing is compatible with other aid from another public administration, public or private, national or international, body or entity, without, in any case, isolated or in concurrence with other subsidies, aid, income or resources that exceed the cost of the financial activity or the maximum limits of public funding.

In the event of abandonment, failure to comply with the provisions of the acceleration/consolidation program or that the tutor/mentor's report is unfavorable on the development of the project, Xesgalicia will be entitled not to make the pending disbursements, as well as to terminate the loan provided that a negative evolution of the development of the project is inferred from said report in the terms presented to Xesgalicia and that served as the basis for the granting of the project. the present funding.

As a general rule, projects that have previously been financed by Xesgalicia will not be financed. In any case, if the project had funding within the framework of a previous phase of any other similar acceleration/consolidation programme, the funding would have to be approved by the Investment Committee and the Board of Directors of Xesgalicia. The projects financed by Xesgalicia will require subsequent monitoring and must provide periodic financial information or any other that is considered.

VI. EXTERNAL FUNDING

- Tractor companies present at the Council of Tractor Entities may sign agreements with the participating projects to place the first orders for them, the terms of which must be set between the project and the tractor company.

- Likewise, the companies of this Council of Tractor Entities will have preference when it comes to participating in the capital of the projects participating in BFFood, conditions to be established between the project and the interested tractor companies.
- Bilateral financing agreements: in parallel to the financing commitment signed with BFFood, the participating projects may sign bilateral agreements of financing with third parties, establishing the obligation to communicate these agreements.



3.- TERMS AND CONDITIONS

This chapter details the different conditions that determine the relationship between BFFood and the projects that are submitted to the call and participate in the acceleration program. First of all, the minimum requirements are listed, which are the basic conditions that must be met by projects that opt to enter BFFood. Secondly, the so-called eligibility criteria are explained, which are those characteristics that projects must present in order to be considered eligible and, therefore, be evaluated in the selection process. Thirdly, it explains the evaluation criteria, which determine the aspects that the Executive Board will analyse in selecting the candidate projects, and their relative weight. The following are the general commitments and requirements that the projects participating in the acceleration programme must respect while their relationship with BFFood is in force. Finally, the incompatibilities are pointed out, by which it is established that certain entities, given their involvement in BFFood, cannot submit projects to the call.

3.1.- Minimum requirements

The minimum requirements that all projects must meet will be the following:

- Each business initiative (whether established or not) may submit several projects to different challenges, but will only be eligible for the eligibility of one of them. If, however, the projects come from a university, a technology centre or similar, more than one project derived from these entities may be eligible.
- All members of the project team must be of legal age.
- Projects must have the intellectual and/or industrial property of the idea, product or service presented or, failing that, have the corresponding permits for the use of intellectual and/or industrial property of third parties.
- Projects that do not have their own legal entity at the time of submission of the application acquire the commitment to develop a business project with the Autonomous Community of Galicia as a place of reference, as well as to constitute a company and a center of activity during this phase.
- Projects formally constituted as a company (for the definition of company the one established by the European Commission in Annex I of Regulation (EU) No. 651/2014 (OJEU L 187, of 26 June)) **will be used to opt for the acceleration phase may not exceed a maximum age of 5 years (60 months) from the date of opening of the registration period). For the consolidation phase, they must be formally constituted as a company with a maximum of 7 years (84 months) from the date of opening of the registration period.**
- Projects with registered office and tax domicile in other regions or countries must submit a commitment to establish the registered and fiscal domicile in the Autonomous Community of Galicia before the signing of the Framework Agreement
- The projects will have to establish a centre of activity in the Autonomous Community of Galicia.
- Aspiring projects may not be participated by companies affiliated to BFFood prior to the final selection of projects.

3.2.- Project eligibility criteria

Scope of the projects: sector and challenges

In general, the projects must belong to the food sector or be applicable to the food sector, which is the vertical in which BFFood specialises as an accelerator. Within this global framework, the projects must respond specifically to more specific issues defined through the challenges established in the present Terms and Conditions of the Call, approved by the Executive Board at the proposal of the member companies of the Council of Driving Entities and included in Annex III

Nature of the projects

BFFood targets startups, spin-outs, and spin-offs. Each of these categories is described below:

- *Startup*: a recently created company promoted by entrepreneurs in a personal capacity in the start-up phase, generally associated with innovation and with a scalable business model.
- *One company spin-out*: a newly created company resulting from the spin-off of a project from an existing company.
- *Several spin-out companies*: a recently created company resulting from the spin-off of a project developed collaboratively by several companies.
- *Spin-off*: a recently created project/company born from an innovative development originating in universities or technology centres.

Project development phase

Participating projects will be eligible according to their level of development.

- **Seed**. They will be eligible to participate in the acceleration phase. These are projects at an initial stage, with a business idea, and in which the team develops or has developed a minimum viable product or service and proposes the line of business.
- **Early stage**. They will be eligible to participate in the consolidation phase directly. We can say that these are already companies with a defined product or service and real sales. The business model must be structured and with the possibility of being scaled and the first revenues begin to be obtained. The company began to grow, albeit in an incipient way.

3.3 - Evaluation criteria

In the applications received, the team and the project will be mainly valued. They will have a weight of 60% and 40% respectively in the case of seed projects that opt for the acceleration phase and 40% team and 60% project in the case of early stage projects for the consolidation phase.

Specifically, the following aspects will be taken into account:

Team Evaluation Criteria

The trajectory and suitability of the team to the project presented will be evaluated. The following will be valued:

- Skills, knowledge and experience in the food sector or area of application of the project.
- Adequacy and complementarity of the team's training and experience to the needs of the project.
- Commitment, motivation and dedication of the entrepreneurial team.
- Risk assumed by the promoter/management team.

Project Evaluation Criteria

- Degree of innovation. Understood as the scientific, technological or knowledge base on which it is based, as well as the capacity of the differentiating attributes incorporated in the value proposition to be winners.
- Degree of accelerating or ability to develop a minimum viable product (MVP) over the course of the program and execute the project.
- Degree of scalability or potential for growth and generation of economies of scale.
- Ability to consolidate in the market and generate recurring revenue.
- Socio-economic impact. A viable initiative that contributes to the dynamization of the business fabric.
- Topics of special interest; For this fifth edition, a series of topics have been included in the search for new innovation opportunities.

In the case of spin-outs/spin-offs, the commitment of the company(s) and/or university/technology centre to the project and the team will be ensured.

3.4 - General commitments

The commitments to which the projects adhere, in general, will be the following:

- Accept and comply with the terms and conditions of the program.
- Ensure that the information provided is accurate.
- Comply with the deadlines set by BFFood for the provision of information.
- Keep project and team member information on the BFFood management platform up to date for the duration of the program.
- Collaborate in the promotional activities of the BFFood program.
- Ensure the delivery of all additional information that may be required throughout the program.
- Notify any significant changes related to the composition of the promoter team, the entry of new partners in the share capital, name, brands and logos, as well as provide any other substantial information about the project, during the duration of the program.
- A minimum of two registered members of the sponsoring team must attend and actively participate in each of the activities of the program.

3.5 - Requirements to be met in the course of the acceleration and consolidation phases

Acceleration Phase

Projects in the acceleration phase must comply with the following requirements:

- **100% dedication to the project of at least two full-time people.** In the case of spin-out and/or spin-off projects, they may include part-time people as long as the sum of all the dedications is the equivalent of at least two people at 100% each, who must cover the profiles of manager, technical manager and commercial manager.
- Compliance with the milestones or, failing that, reasoned justification for non-compliance.
- Mandatory participation in the training, tutoring and mentoring activities carried out in the initiative.
- Sign, where appropriate, the corresponding singular agreement that will establish the terms and conditions of execution of the subsidy granted by GAIN and that will be an essential requirement for the receipt of the subsidy.
- Publicise the funding and support obtained by the BFFOOD programme in the dissemination activities related to the project, as well as on its website.
- Transparency of projects when it comes to reporting on their progress and results.
- Be willing to participate in activities related to the dissemination, promotion and image of BFFood.

Consolidation Phase

- **100% dedication to the project of at least two full-time people.** In the case of spin-out and/or spin-off projects, they may include part-time people as long as the sum of all the dedications is the equivalent of at least two people at 100% each.
- Compliance with the milestones or, failing that, reasoned justification for non-compliance.
- Optional participation in the training, tutoring and mentoring activities carried out in the initiative.
- Transparency of projects when it comes to reporting on their progress and results.

3.6 - Incompatibilities

Regarding the consideration of a candidate project as suitable for the selection process, the following incompatibilities will be taken into account:

- The members of the Executive Board may not participate as a promoting team and/or be members of the selected projects. In the case of staff assigned to their respective entities, the express consent of all the members of the Executive Board will be required.
- The members of the Management Team will not be able to participate as a promoting team and/or be members of the selected projects.

4 - LEGAL ASPECTS

Since exchanges of information will take place throughout the different phases of the programme, it is important to make clear its use and the responsibilities arising from it.

4.1 - Acceptance of the terms and conditions

Participation in the call implies acceptance of these rules, without qualifications or conditions, as well as any resolution that may occur.

In the event that it is found during the development of the programme that any member of any of the participating teams does not comply with the commitments signed in the Framework Agreement, the Executive Board reserves the right to demand compliance with them, and if this is not the case, the candidacy will be excluded.

In this sense, the projects will be subject to continuous evaluation throughout all phases of the program, so that all those that do not comply with the requirements, obligations and milestones established may be excluded from it and, consequently, lose the benefits derived from it after a reasoned report from the Executive Board of BFFood.

Likewise, BFFood reserves the right to cancel, modify or suspend any aspect or criteria of the call and selection process.

The commitment assumed by the acceptance of these rules will take effect from the acceptance of these rules and will remain in force until five years after the end of the call in which they have been accepted.

4.2 - Liability

Applicants will be responsible for all damages, direct or indirect, that are caused or may be caused by the violation of these rules, exonerating those responsible for the program from all responsibility in this regard, without any exception.

In these terms, applicants will be liable for the infringement of third-party rights during their participation in the programme of this call and must compensate the affected third parties and, where appropriate, those responsible for the programme for any damage or loss caused and claimed judicially or extrajudicially, expressly including the fees of the professionals involved in the proceedings. for failure to comply with the obligations described in these rules.

4.3 - Intellectual Property

Possessing, if applicable, the intellectual property of the idea/project submitted, or having the corresponding permissions for its use is a minimum requirement set out in the terms and conditions.

Each applicant warrants that the content of his/her submission is of his/her original creation and does not infringe any rights, including the intellectual property rights of third parties and that the content is not illegal, nor has it been created in breach of any contractual obligation to a third party.



The information provided by the applicant must be correct, truthful and complete, with the applicant assuming full responsibility for any inaccuracies. Otherwise, BFFood shall be entitled, without prejudice to any other legal means, to withdraw, refuse or suspend the rights granted to the applicant in these rules.

The participant expressly authorises those responsible for the programme to use his/her name and image in advertising material related to this call, without any consideration. By submitting his/her request, the participant assumes that the submission of the document of the application confirms the voluntary nature of the application.

The applicant agrees that the decisions regarding the call for proposals, as well as the final selection of programme projects, will be taken by those responsible for the programme. The applicant acknowledges that, even if his/her project is selected, those responsible for the programme are not obliged to develop the programme completely.

4.4 - Disclosure of Information

Participants consent to the use of the basic data of the project during the evaluation processes contemplated in the rules.

Likewise, the acceptance of these terms and conditions authorises the promoting entities to use the logo, name of the project, or any other type of audiovisual support developed or recorded in the course of the programme, in all those dissemination and communication activities that they consider appropriate, regardless of the medium or format used.

The content of all ideas and projects submitted to this call, and all data and information of any kind provided by the applicant, will be treated as confidential by BFFood, which undertakes not to use them for purposes other than those arising from this document.

4.5 - Communications

All notifications related to the development of the program will be published on the BFFood website (www.bffood.gal) and will be available for consultation at the offices of the Galician Food Cluster. Any other individual notification will be communicated through the email or telephone number used in the registration of the project on the website, or in the one that is subsequently provided by the main promoters of the project for this purpose.

4.6 - Protection of personal data

In compliance with Regulation (EU) 2016/679 on the protection of personal data, we inform you that the data controllers provided as a participant will be processed by the promoting and collaborating entities of the BFFood program, formed among others by Axencia Galega de Innovación with CIF Q-1500386-F; Galician Institute for Economic Promotion with CIF Q6550010-J; XesGalicia Sociedad Gestora de Entidades de Inversión de Tipo Cerrado, S.A.U. with CIF A-15.674.203; Food Cluster of Galicia with CIF G27407212, with the purpose of evaluating the projects presented, managing participation in the program, disseminating and publicly promoting it.



The legitimacy for the use of your data is based on the acceptance of all the provisions of these rules, the related legal obligations, as well as on consent. The recipients of the information will be all the promoting entities, as well as third parties in compliance with the related legal obligations. The expected retention period is the one established in each of the phases of the project indicated in these rules, as well as the necessary period to comply with the related legal obligations and in any case as long as the consent given is not withdrawn. It is not envisaged to carry out an international transfer of data except for storage purposes, in which case it complies with the existence of adequate guarantees and in entities adhering to the privacy shield agreement (<http://www.privacyshield.gov>).

The participant may exercise his/her rights of access, rectification, deletion, data portability, limitation and opposition, as well as the revocation of the consent given, if applicable, by contacting BFFood through the bff@clusaga.org. You can also file a complaint with the Spanish Data Protection Agency if you consider that your rights have been violated. More information at www.bffood.gal.

4.7 - Complaints

For the interpretation and compliance of these rules, the Executive Council and the participants in the program will be subject to the application of Spanish laws.

Any controversy arising from the interpretation or execution of this document shall be resolved directly by the parties, for which purpose they undertake to make, in good faith, their best efforts for the consensual resolution of their disputes, in accordance with the common intention expressed therein, within a maximum period of fifteen (15) business days from the date on which either party gives written notice to the other with respect to any claim, without the failure of such other party to respond suspending the aforementioned period.

Any litigation, controversy or claim arising from this document or its interpretation that could not be resolved in accordance with the provisions of the preceding section, as well as those relating to breach, resolution or nullity, shall be resolved by arbitration. The arbitration will take place in the city of Santiago de Compostela. The arbitrator's award shall be final and not subject to appeal, waiving any remedies available against it.

4.8 - Miscellaneous

- BFFood does not guarantee the availability and continuity of the operation of the platform or the services hosted on it, as it may suffer interruptions or defects in its operation. BFFood assumes no responsibility for any damage or loss suffered by the claimant due to the non-functioning or inability to use the information or services provided through the enabled platform. And it shall not be liable for any damage or loss that may be caused by interference, omissions, interruptions, computer viruses or disconnections in the portal and services for any reason, including causes beyond BFFood's control.
- The applicant will not use the platform to submit content that may violate applicable law or public morals or any other harmful, abusive, disrespectful, defamatory, vulgar, obscene, racist or in any other way; perform any illegal or fraudulent act; or submit any documentation or material unrelated to the



purposes of the call or BFFood as a whole. BFFood reserves the right to remove any content that violates these rules.

- Participants in the programme assume the obligation to provide, for the duration provided for in the last paragraph of the "Acceptance of the Terms and Conditions" section, the additional documentation that may be required by those responsible for the programme for the fulfilment of information obligations that may arise from regulations currently in force or that may come into force during the duration of the programme. Failure to provide this information within the period may result in the suspension and/or termination of the program with respect to the violators.



ANNEX I: REGULATION OF THE CONDITIONS OF THE SUBSIDIES TO BE GRANTED BY THE GALICIAN INNOVATION AGENCY TO THE PROJECTS SELECTED FOR INCORPORATION INTO THE ACCELERATION PHASE

The collaboration agreement signed between the Galician Institute for Economic Promotion (Igaepe), the Galician Innovation Agency (Gain), Xesgalicia, Sociedad Gestora de Entidades de Inversión de Tipo Cerrado, S.A.U (Xesgalicia), Cluster Alimentario de Galicia (Clusaga) for the implementation of the development of an entrepreneurship focus in the food sector in Galicia (Business Factory Food – BFFOOD); provides for the granting by Gain of a grant for those projects that are selected for incorporation into the acceleration phase.

Companies incorporated after complying with the requirements indicated in sections 2 and 3 of article 8 of Law 9/2007, of 13 June, on subsidies in Galicia, may be considered beneficiaries.

Amount of aid

The total amount to be awarded by GAIN is a maximum of €25,000 per call, to each of the projects selected for incorporation into the acceleration phase.

Eligible expenditure

As an indication, the following items will be considered eligible:

- Personnel costs subject to an employment relationship, excluding project promoters.
- Costs of participation in fairs, congresses and other *networking* activities specific to the project.
- Acquisition of equipment and instrumental material to the extent that they are used for acceleration activities.
- Subcontracting with research organizations, with a maximum limit of fifty percent (50%) of the grant.
- Costs of obtaining, validating and defending patents and other intangible assets; The costs of obtaining official certifications necessary for the viability of the project will be included.
- Support services for the preparation of the business plan, for its market launch, or for the search for investors.
- External technological services that are considered relevant for the viability of the business project.

When the amount of eligible expenditure exceeds the amounts established for minor contracts in the revised text of the Law on Public Sector Contracts, approved by Royal Legislative Decree 3/2011, of 14 November; The beneficiary must request at least 3 bids from different suppliers, prior to contracting the commitment, unless, due to their special characteristics, there is not a sufficient number of entities in the market, or unless the expenditure was incurred prior to the application for the subsidy. The choice between the tenders submitted, which must be presented in the justification, must be expressly justified in the report when the choice does not fall on the most advantageous economic proposal.

The Xunta de Galicia will carry out the financing of these grants through the mechanisms provided for in the legal system, being an essential condition for its concession, the fulfilment by those selected of the legal requirements to be beneficiaries.



Obligations of beneficiaries

Without prejudice to the other obligations established in article 11 of Law 9/2007, of 13 June, on subsidies in Galicia, the beneficiaries of the aid granted are obliged to:

- Proceed to the reimbursement of the subsidy received, in the event of non-compliance with the conditions of participation in the Business Factory Food, included in these same bases.
- To provide the information required by the Comptroller General of the Autonomous Community, by the Court of Auditors and by the Council of Auditors in the exercise of their functions of supervision and control of the use of subsidies; and submit to the verification actions to be carried out by the aforementioned bodies relating to financial control and other applicable bodies; as well as those carried out by the granting body; and, where appropriate, to those of the managing authority and, where appropriate, to the financial services of the European Commission and the European Court of Auditors, and to deliver any information required in the exercise of the above actions.
- Inform the awarding body of the obtaining of subsidies, aid, income or resources that finance the subsidised activities. This communication must be made as soon as it is known and, in any case, prior to the justification of the application given to the funds received.
- Justify, in cases where the amount of eligible expenditure exceeds the amounts established in Law 9/2017, of 8 November, on Public Sector Contracts, which transposes Directives 2014/23/EU and 2014/24/EU of the European Parliament and of the Council of 26 February 2014 into Spanish law; the request for at least three bids from different suppliers, prior to contracting the commitment for the work, provision of the service or delivery of the good, unless due to their special characteristics there is not a sufficient number of entities in the market that carry out, provide or supply them, or unless the expenditure had been incurred prior to the application for the subsidy, in accordance with the provisions of section 3 of article 29 of Law 9/2007, of 13 June, on subsidies in Galicia.
- To give express consent to the publication by the Galician Administration of the data referred to this agreement, in accordance with article 15 of Law 1/2016, of 18 January, on transparency and good governance, relating to specific obligations regarding information on agreements; and with the provisions of Decrees 126/2006, of 20 July, and 132/2006, of 27 July, which regulate the register of agreements of the Xunta de Galicia, and the public registers created in articles 44 and 45 of Law 7/2005, of 29 December, on the general budget of the Autonomous Community of Galicia for the year 2006, respectively.
- Give express consent to the publication in the National Subsidies Database, under the terms provided for in article 20 of Law 38/2003, of 17 November, general subsidies, amended by article 30.3 of Law 15/2014, of 16 November, on the rationalisation of the public sector and other administrative reform measures.
- Provide all the information necessary for GAIN to comply with the obligations set forth in Title I of Law 1/2016, of 18 January, on transparency and good governance. The consequences of failure to comply with this duty shall be those established in article 4.4 of said law.
- Comply with the publicity obligations established in article 18 of Law 38/2003, of 17 November, on general subsidies, amended by article 30.2 of Law 15/2014, of



16 September, on the rationalisation of the public sector and other administrative reform measures.

Payment Regime

Under the provisions of articles 31.6 of Law 9/2007, of 13 June, on subsidies 23 of Galicia and articles 62 and 63 of the Regulations implementing the aforementioned Law, advance payments may be made, corresponding to the delivery of funds prior to justification, as necessary financing to be able to carry out the actions inherent to the subsidy. These will be the same for the development of the projects that are selected for incorporation into the acceleration phase, according to the following distribution:

- First payment: up to a maximum of 80% of the amount allocated to each of the selected projects may be paid in advance and upon request. Such an application shall be submitted under the conditions set out in this Annex.
- Final payment and justification: the remaining amount allocated to each of the selected projects will be paid after the application and justification under the conditions set out in this document. The release of this payment will require the agreement of GAIN and proof of submission of the remaining documentation. As a complement to the aforementioned documentation, GAIN will receive the report of the tutor appointed by the Management Team, in which the adequacy of the expenses and the facts or activities planned in the development of the program are verified and validated.

Guarantee regime

Article 65 of Decree 11/2009, of January 8, 2009, which approves the Regulations of the LSG, establishes the obligation for beneficiaries and collaborating entities to provide guarantees, in cases, among others, in which the possibility of making advance payments is foreseen.

This agreement provides for the advance payment of up to 80% of the amount allocated to the financing of the projects selected for incorporation into the acceleration phase.

Considering that the purpose of this advance is to support the various projects, facilitating their formalisation or incorporation into companies, and reducing the economic burden borne by any newly created company, both at its origins and at the start of its activity; is exempt from the legally provided guarantee provision, in accordance with the provision contained in article 67 of the LSG Regulations, relating to the possibility of authorisation by the Consello da Xunta, of the exemption from the obligation to provide guarantees.

Alteration of proceedings

The need to modify the actions to be carried out, insofar as it involves altering the conditions taken into account at the time of granting, may lead to the modification of the subsidy granted. In any case, the aforementioned modification will only be made after a favourable report from the Executive Committee.

The procedure for approving the modification of the actions will begin with the request by the interested party, in which the scope of the proposed modification must be indicated, in such a way that the actions to be modified and the development of the project are clear.

This application will be submitted through the electronic headquarters of the Xunta de Galicia. After said request, GAIN will proceed to compile the corresponding favorable report or the approval of the Executive Committee.

Following the above-mentioned actions, GAIN will approve, if applicable, the proposed amendment. Which, if it occurs, will be formalized in the corresponding document or addendum.

Compatibility with other aids

This aid will be compatible with others established by this or any other Public Administration, public or private, national or international body or entity for the same purpose without, in any case, in isolation or in concurrence with other subsidies, aid, income or resources, exceeding the cost of the subsidized activity.

The incompatibility of the aid granted by GAIN to projects that participate or have participated in other acceleration programs financed with funds from the Xunta de Galicia or that have received funding from GAIN in such programs is established.

Applicable regime and reimbursement

This aid will be subject to the provisions of Law 9/2007, of 13 June, on subsidies in Galicia; Decree 11/2009, of January 8, 2009, approving its regulations, as well as the basic regulations of Law 38/2003, of November 17, 2003, on general subsidies and its implementing regulations, approved by Royal Decree 887/2006, of July 21.

The funds received will be partially or totally reimbursed in the event of non-compliance with the conditions established for their granting under the terms provided for in Title II of Law 9/2007, of 13 June, on subsidies in Galicia.

It will also proceed to reimbursement (total or partial) in the event of non-compliance and/or misuse of the acceleration by any of the projects selected in the final phase, which must be reflected in a sufficiently motivated report.

They will also be subject to the de minimis regime established in Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (OJEU L 352/1 of 24 December 2013).

Documentation to be submitted for the application for payment of the expected payments

The documentation will be submitted through the electronic headquarters of the Xunta de Galicia

With the supporting documentation listed in this annex, the beneficiary must submit a declaration of all the aid received by the company as a minimum, during the two previous fiscal years, and during the current fiscal year.



Supplementary declaration of the set of aid requested, both those approved or granted and those pending resolution, for the same project, from the competent public administrations or their related or dependent entities, as well as from private entities.

Documentation required for the payment of the first payment

The beneficiary must submit the following documentation:

- Payment Request
- NIF/Passport
- Certification from the financial institution regarding the ownership of the account where the payment is to be made, stating the company name and tax identification number, as well as the international bank account code (IBAN) or the international bank identification code (BIC/SWIFT)
- Certification of being up to date with state tax obligations, with the Autonomous Community and with Social Security. These certifications must be updated with the final payment request, in the event that they are not in force at the time of the aforementioned request
- This application must be submitted, together with the accompanying documentation, within the established deadlines, which will be conditioned by the dates of each call and which will be communicated to the participants at the beginning of the acceleration phase.

Documentation to be submitted for final payment

After the completion of the different phases of the program, the beneficiary must submit the following documentation for the payment of the amount provided for in clause three, relating to the financing of activities related to the execution of projects selected for incorporation into the acceleration phase:

- Request for payment.
- NIF/Passport (in case the applicant is different).
- Certifications of being up to date with state tax obligations, with the Autonomous Community and with Social Security, in the event that those submitted at the time of the application for payment of the advance are not in force.
- In the case of being exempt from VAT, documentation proving such exemption.
- Letter of payment referred to in article 48.2 g) of Decree 11/2009, of 8 January, approving the Regulations of the Galician Subsidies Law, relating to the reimbursement of unapplied remainders, as well as the interest derived from them; Enforceable in cases where the possibility of granting advances is foreseen.
- Justifying report of actions: compliance with the conditions imposed in the granting of the subsidy will be justified, indicating activities carried out and objectives achieved. The beneficiary may submit any other documentation or material that he/she deems necessary to present for a better justification of the subsidized actions. This report will justify both the actions carried out against the advance received and those related to the collection of the remaining amount.
- Justifying financial report: the cost of the activities carried out will be justified, by:

- Classified list of the expenses and investments in the implementation of the project, with identification of the creditor and the document, its amount, date of issue and, if applicable, date of payment.
- Justification of the expenses incurred: originals or certified copies of invoices and documents of equivalent probative value in commercial legal transactions or with administrative effectiveness incorporated in the list of referred to in the previous paragraph issued within the year to which it corresponds in the respective call.
- Proof of payments made: bank transfer, original bank certificate or payment statement. These documents must clearly identify the recipient, the issuer and the concept of payment. Cash payments will not be accepted.

The submission of the required documentation must be made within the deadlines established by GAIN.

Subcontracting

In relation to the possibility of subcontracting, the beneficiaries must submit an express declaration that the persons or entities contracted and/or subcontracted for the subsidised activities are not linked to it, in accordance with article 27.7 of Law 9/2007, of 13 June, on subsidies in Galicia and in its Regulations.

ANNEX II: DOCUMENTATION TO BE SUBMITTED TO XESGALICIA FOR THE FINANCING OF EACH OF THE PROJECTS IN THE ACCELERATION AND CONSOLIDATION PHASE,

a) Identification of the contact person(s).

b) Business plan (.doc format):

- Promoters of the project.
- Background and description of the project.
- Product or service. Production processes. Production facilities.
- Market, sector, competition.
- Business model.
- Commercialization and marketing strategy. Key commercial contracts.
- The company's current staff and forecasts for the evolution of the workforce.
- Planned investment and financing of the project.
- Forecasting economic and financial statements (4 years in excel format)
- Cash flow statement, with monthly detail, for the first year from the current situation.
- Power point summary of the main variables (Model provided by XESGALICIA).
- For the preparation of the financial plan, an excell model will be provided by Xesgalicia.

c) Financial Documentation:

- In the case of being incorporated (Annual accounts for the 3 financial years. If the accounts are audited, submit the corresponding audit reports. Balance sheet, profit and loss account and cash statements at the end of the last quarter. Bank pool at the end of the last quarter and last closed financial year.
- Budget for the current financial year.
- CIRBE report of the Bank of Spain.
- List of the grants requested from IGAPE for this project and certificate of no debts with said body.
- List of all public and private grants/funding requested (approved, granted or pending resolution) for the same project.

d) Legal documentation:

- Memorandum of incorporation and current bylaws of the company.
- Composition of the capital and administrative bodies.
- Copy of the register book of shareholders and excell with the shareholding structure and its evolution since the incorporation.
- Certificate of being up to date with the different public administrations (AEAT, Social Security and Autonomous Community).
- Affidavit relating to litigation in which the company, its partners and/or directors are parties.
- Previous partners' agreement and, if applicable, commitments acquired by other accelerators.
- LOPD Document (Official Data Protection Law) – Model provided by Xesgalicia.

e) Anti-Money Laundering (AML) Documentation:

- Customer Identification Form (Model provided by XESGALICIA).
- Deed of beneficial ownership.



ANNEX III: TOPICS OF SPECIAL INTEREST AND CHALLENGES OF THE CALL

CHALLENGE 1 - Digitalization and automation

- **BigData and Artificial Intelligence:** Integration of the necessary information systems and infrastructures from data capture, processing and robustness of data, to its processing and analysis with artificial intelligence tools for decision-making.
- **Digital Twin:** Advanced process simulation systems that enable rigorous control of systems to avoid problems, prevent downtime, test new business opportunities, plan future scenarios through simulations and customize production based on customer requirements.
- **IoT and sensors:** Connected devices that allow "real-time" inventory monitoring, predictive maintenance on machines and/or remote control of conditions to ensure the safety and quality of the final product, with special application in the HORECA channel.

CHALLENGE 2 - Traceability, quality and food safety

- **Digitised (paperless) quality management systems (QMS):** which make it easier for information to be generated, processed, archived and consulted, both by the companies themselves and by the different agents involved in the entire food value chain, in a substantially more efficient, safe and reliable way.
- **Automatic continuous measurement systems.** Systems for the monitoring and quality control of food through the use of sensors, which offer results of objective parameters, which can be adapted to a line of processes.

CHALLENGE 3 - Logistics

- **Smart labelling:** a comprehensive and customisable product labelling system that allows comprehensive traceability throughout the entire value chain. In particular, it is intended to optimize logistics and inventory management in controlled locations.
- **Logistics 4.0:** Solutions that optimise the supply chain. Of particular interest are innovative systems that, through interconnection, new interfaces and/or new programming, guarantee more efficient shipment management in anticipation of demand, a reduction in stocks and storage, route optimization, customer geolocation, location awareness and traceability of goods.

CHALLENGE 4 - Sustainability

- **Innovative, sustainable packaging and new materials:** Solutions that minimise the environmental impact due to the use of plastics in food packaging. Of particular interest are projects for new plastic substitute materials, fully biodegradable, which guarantee the organoleptic characteristics of packaged products.
- **Valorisation of waste and co-products:** developing new products or new applications, through which it is possible to channel supply and demand imbalances as well as food by-products, transforming them into innovative and healthy proposals for the industry and/or the end consumer.
- **New eco-efficient transformation processes adapted to demand:** Solutions that facilitate the implementation or improvement of transformation processes to make them more eco-efficient. It is about advancing in a sustainable, efficient and optimised use of energy resources and raw materials, and reducing as much as



possible the waste and emissions generated in the production process of a given product.

CHALLENGE 5 - New Product Development

- **Healthy products and personalized nutrition:** New food products, improved products and/or food biotechnology applications aimed at functional and nutraceutical nutrition for health and active aging.
- **New ingredients and properties: New** biotechnological solutions, sustainable and organic substances that allow an organoleptic, nutritional or functional improvement of a food product.

CHALLENGE 6 - Process Innovation and Commercialization

- **Marketing and interaction with customers and consumers:** innovative ICT solutions that accompany the value propositions of the food sector and represent new characteristics of interest to both customers and any agent in the food value chain, facilitating communication in both directions.

CHALLENGE 7 – Free Challenge

Any project that can be applicable to the food sector and that involves the introduction of some type of innovation or improvement.

Any initiative/project that involves innovation, in a broad sense (product, process, marketing, etc.), for the Galician food sector is considered to be of interest, from the origin and treatment of the raw material through fifth-range products to closing the food circle, seeking the circularity of the flow of products and services used in the different phases of the main value chain, as well as the side links.

