

REWARD/ IMPACT

## TECHNOLOGY INCUBATION

### DETAILS

**COUNTRY:** Czechia

**REGIONAL COVERAGE:** Nationwide

**IMPLEMENTATION PERIOD:** 2022 - 2027 (ongoing)

### GOALS, RECIPIENTS, BENEFICIARIES

The purpose of the Technology Incubation project is to create a system of technology incubation centres (HUBs) and to directly support the creation and development of start-up and spin-off companies based in the Czech Republic.

The aim of the project is to select by the end of 2025\* about 250 start-up technology companies that develop innovative products or services in market areas identified as promising for Czech companies. The selected companies are provided with direct financial support and indirect support in the form of continuous mentoring and intensive work with the company by the incubation team (the system of direct and indirect support is defined as "incubation").

An amount of CZK 850 million will be distributed among the beneficiaries over a period of five years, using funds provided from national sources.

\* Start-ups selection will be completed in 2025, but the incubation process lasts two years, so the project will end in T+2, i.e., in 2027.

## ELIGIBLE PROJECTS / EXPENSES

Eligible applicants must follow Czech Act 90/2012, on Business Companies and Cooperatives, established for the purpose of entrepreneurship, which are start-ups with a connection to one of the defined key sectors (key activities):

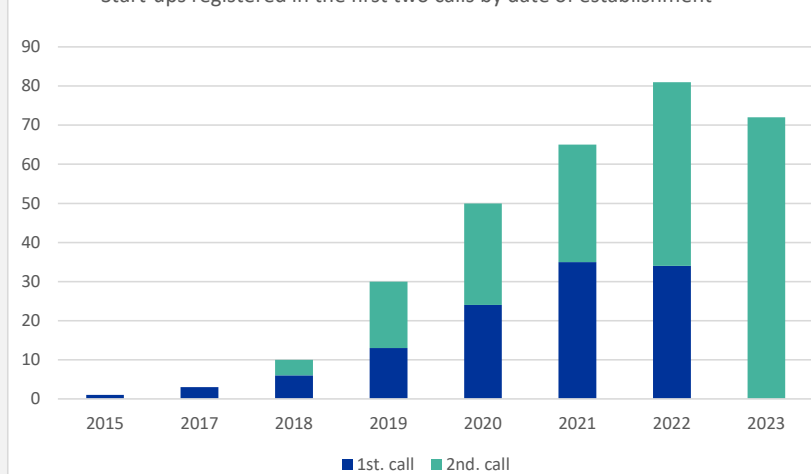
- Advanced technologies and materials;
- Artificial intelligence;
- Cultural and creative industries;
- Eco-innovation;
- Life sciences;
- Defence;
- Mobility;
- Space technologies;

The applicant organisation must not be older than 3 years at the date of submission of the application for support, or 5 years if justified by specific technological needs and the nature of the application.

Direct support is used to purchase services. The most common are services of scientific research organisations, legal services, industrial property protection, pilot actions, etc.

Indirect support is used in the form of workshops, seminars, assistance from incubation managers, consultations with business and technology experts.

Start-ups registered in the first two calls by date of establishment



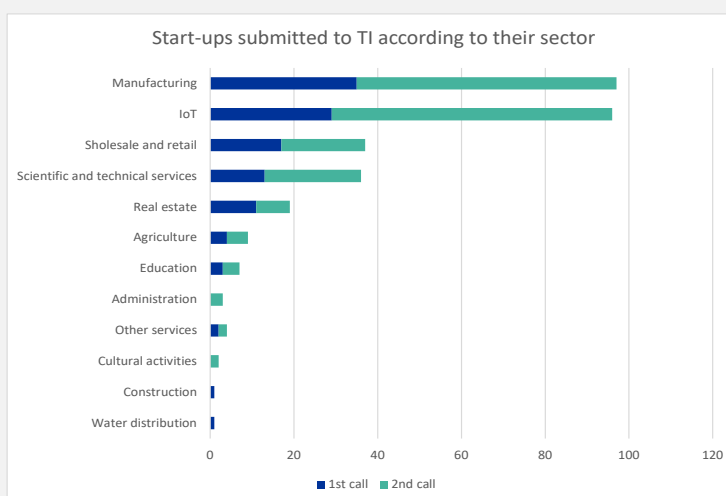
## SUPPORT

Selected technology start-ups will receive direct support in the amount of € 45.000 or 187.000 and indirect support in the amount of € 20.500\*. No financial contribution is required from the company up to this amount. The company participating in the project does not lose its ownership share.

The financing scheme is a combination of ex ante and ex post. The successful applicant receives a small part of the funds immediately (€ 12.500), and the remaining amount is split into two payments (three in case of incubation+). Their disbursement is conditional on the fulfilment of commitments. It is assessed in terms of compliance with the commitments and the actual use of the subsidy. The incubation, financial and project manager decide on the continuation of the start-up within the TI programme.

If a company fails to deliver its promises, it is not allowed to proceed to the next stage of incubation. However, there is no financial penalty (assuming the basic conditions are met).

\* There are two levels: classic incubation and incubation+. If a start-up proves that classic incubation does not offer enough funds for its development, it can apply for a higher amount.



## PROCEDURE

The preparation process took more than three years, and each sector was considered separately. The approval of individual key activities, also of this whole support scheme, was made at the level of the Ministry of Industry and Trade. Due to the robustness of the project, it was necessary to create an entire department within the CzechInvest agency and in addition, the capacity of the regional offices to carry out scouting and pre-mentoring was used. At the same time, experts representing different sectors were contracted to be responsible for mentoring and assessing the innovativeness of the products for which the start-ups were seeking support.

Applying for Technology Incubation is possible through calls, which are usually held twice a year. Scenario is as follows:

- Start-up companies apply through a form on the website and are then assigned to a pre-incubation manager who assists with the application.
- If the company passes the assessment, it is invited to present the project to a panel of experts.
- The company is evaluated based on the following criteria: innovativeness, scalability, feasibility.
- The panel selects companies suitable for incubation that can begin to draw down funds for further development.

## STATUS / RESULTS:

At the time of publication of this Factsheet, two calls have been made, with a total of 887 projects consulted 310 start-ups applying and 92 companies succeeding.

The goal is to support 250 start-up projects over the lifetime of the project, i.e. until the end of 2027

## REMARKS:

The aim of the tool is to help start-ups in their development phase, when the lack of customers and references makes it difficult to get an investment. In addition to funding for product/service development, start-ups will also get the opportunity to collaborate with experts, personal assistance during the whole incubation process, get publicity, join a network of partners (SMEs, corporates, research organisations, other incubated start-ups, universities, innovation centres, etc.).

## CONTACTS

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