

COVID-19 PRODUCTS SCHEME (CPS)

Company Guidelines

Background	<p>The COVID-19 outbreak has resulted in an urgent need across the EU and globally for medical and public health R&D, products and solutions.</p> <p>An amendment to the EU Temporary State Aid Framework was adopted on 3rd April 2020. This amendment allowed for, “the facilitation of research and development and expanded production into Coronavirus related products”. According to the government, “given the public health crisis, it is crucial that the State can provide incentives to companies to direct their activities to research and production of certain products which are crucial to address that crisis. Ireland considers that the measure contributes to address the public health crisis”.</p> <p>Enterprise Ireland and IDA Ireland are the granting authorities for the scheme, using funds made available for that purpose by the Department of Business, Enterprise and Innovation, with the consent of both the Minister for Business, Enterprise and Innovation and the Minister for Public Expenditure and Reform.</p>
Objectives of the support	<p>The COVID-19 Products Scheme is composed of three measures, all of which aim to support Irish based internationally focused companies (SME and Large) to address:</p> <ul style="list-style-type: none"> • Measure 1: COVID-19 relevant research and development (“R&D”) activities by companies coupled with the creation of useful IP. • Measure 2: The construction and upgrade of testing and upscaling infrastructures that are utilised to develop COVID-19 relevant products. • Measure 3: Increased production of products needed to respond to the COVID-19 outbreak. These outputs should be achieved as quickly as possible. <p>Additionally, the funding provided will have as an objective the maintenance of employment and the delivery of increased output and value added activities.</p>
What are COVID-19 relevant products?	<ul style="list-style-type: none"> • Relevant medicinal products (including vaccines) and treatments and their intermediates, active pharmaceutical ingredients and raw materials. • Medical devices and hospital and medical equipment, including PPE and necessary raw materials. • Disinfectants and their intermediary products and raw chemical materials necessary for their production. • Track and trace, temperature monitoring and relevant COVID-19 responsive services. • Process innovations targeting an efficient and streamlined production of the above.
What type of funding is available?	<p>This is a budget limited scheme with the following features:</p>

	<ul style="list-style-type: none"> • Measure 1 <ul style="list-style-type: none"> ○ Max Grant Rate: up to 50% of qualifying costs ○ Max Grant: €650,000 per project • Measure 2 & 3 <ul style="list-style-type: none"> ○ Max Grant Rate: up to 50% of qualifying costs ○ There is no upper limit to overall grant size (subject to budget) • Companies may make applications to all measures concurrently.
Key Special Conditions of Scheme	<ul style="list-style-type: none"> • General: <ul style="list-style-type: none"> ○ The scheme is open to COVID-19 relevant products activities only. ○ Retrospective costs (on or after the 1st February 2020): Where applicable, costs associated with activities of qualifying projects may be retrospectively funded. In these cases, the aid must assist projects which accelerate project implementation or extend project scope. The company must demonstrate to the satisfaction of Enterprise Ireland that costs were incurred on or after the 1st of February 2020. ○ Funding must be approved by Enterprise Ireland no later than the 15th of December 2020. The cut-off date for applications in line with the lifespan of the Scheme is the 30th November 2020. • Measure 1: <ul style="list-style-type: none"> ○ Aid beneficiaries must commit to grant non-exclusive licences for any Intellectual Property (IP) generated by projects funded through the scheme under non-discriminatory market conditions to third parties in the European Economic Area (EEA). • Measure 2: <ul style="list-style-type: none"> ○ Resulting infrastructure cannot be predominately dedicated to one company; but instead consists of service providers that serve multiple users. ○ Project must be completed within 6 months of grant agreement being signed by the applicant. An investment project is considered completed when it is accepted by Enterprise Ireland as completed. Where the six-month deadline is not met, any payment under the grant agreement will be reduced by 25% of the amount of aid awarded per month of delay, unless the delay is due to factors outside the control of the aid beneficiary. • Measure 3: <ul style="list-style-type: none"> ○ Project must be completed within 6 months of grant agreement being signed by the applicant. An investment project is considered completed when it is accepted by Enterprise Ireland as completed. Where the six-month deadline is not met, any payment under the grant agreement will be reduced by 25% of the amount of aid awarded per month of delay, unless the delay is due to factors outside the control of the aid beneficiary.
What retrospective costs qualify for funding?	<p>For each measure, where applicable, costs associated with activities of qualifying projects incurred on or after the 1st February 2020 may be retrospectively funded. In these cases, the aid must assist projects which accelerate project implementation or extend project scope. The</p>

	<p>company must demonstrate to the satisfaction of Enterprise Ireland that costs were incurred after the 1st of February 2020.</p> <p>Therefore, if a qualifying project was started on or after the 1st February 2020 then all qualifying costs may be funded. If a qualifying project started BEFORE 1st February 2020 then only any costs incurred in order to accelerate or expand the scope of the that project on or after the 1st February 2020 may be funded.</p> <p>For example, if a qualifying R&D project was started in January 2020 with 5 development engineers and then 3 additional engineers were assigned in February 2020 to deliver the project sooner than planned, then only the costs associated with the 3 additional engineers would qualify.</p>
IP Licensing	Enterprise Ireland can help you with developing your IP strategy in line with the special requirements of this scheme. Please contact ipstrategy@enterprise-ireland.com for further support.
Who is eligible to apply?	The CPS is open to companies that operate within the manufacturing and internationally traded service sectors who employed 10 or more full time people ¹ on their payroll on the 29 th of February 2020. This fund is open to domestically traded companies within the definition of manufacturing and internationally traded service sectors ² . Clients must have sustainable annual revenues of at least €500K and are EBITDA positive in previous accounting period or; for at least the previous nine months prior to application and can demonstrate sustainable future EBITDA (EBITDA negative companies may apply for funding but applicants must display sufficient level of financial resources to undertake and implement the project and realise the commercial benefits).
Who is not eligible to apply?	<p>The COVID-19 Products Scheme is not open to companies that meet any one (or more than one) of the below criteria:</p> <ul style="list-style-type: none"> • Were in financial difficulty on 31st of December 2019 (does not apply to companies with less than 50 employees OR Turnover of less than €10m AND/OR Balance Sheet of less than €10m). • Entered financial difficulty after 31st of December 2019 for reasons not related to COVID-19. • Do not meet the minimum eligible funding threshold, i.e. minimum of €100k. • Are operating in the coal or steel sector. • Are active in the primary agricultural, fishery or aquaculture sectors. • Are covered by specific rules for Financial Services. • Include or relate to activities that Enterprise Ireland considers as ineligible or as involving an unacceptable reputational risk. Ineligible activities include activities relating to: <ul style="list-style-type: none"> • The gambling sector, including 'gaming' (as defined in the Gaming and Lotteries Act 1956). • Adult entertainment. • Tobacco products. • Cannabis-based products which are not authorised as medicines.

¹ Defined as working 37.5 hours or more per week.

² Sectors falling within the wider manufacturing and internationally traded services sector. Please note the following are not included in internationally traded services - solicitors, accountants, retailers, including even those with online presence, local service firms such as security, electricians, real estate firms, hospitality firms, local tourist providers, and freight forwarding firms that do not offer 3GL or 4GL services.

What is the application process?	<p>Applicants for funding are required to complete an application form and provide required supporting documentation (details overleaf). Application forms are only available from the Business Response Team within Enterprise Ireland, contact details for which are below:</p> <ul style="list-style-type: none">• Email address: businessresponse@enterprise-ireland.com• Telephone number: 01 727 2088 <p>All applications for support should be returned to the following inbox: GA-CPS@enterprise-ireland.com</p> <p>On submission of the application, an email will be sent to confirm that Enterprise Ireland has received the submission. Applicants who do not receive an acknowledgement within two working days should contact GA-CPS@enterprise-ireland.com.</p> <p>Initial checks on applications will be undertaken by Enterprise Ireland to establish if they are valid, fully completed and supported by the correct documentation. Applicants will be notified if their application is invalid or if documents are omitted from their submission.</p>
How is the application evaluated?	<p>Eligible Enterprise Ireland and Údaras na Gaeltachta clients will be subject to the same assessment and selection process. Údaras na Gaeltachta will participate in the assessment process for applications for funding from their respective clients.</p> <p>The evaluation process seeks to ensure that State support is appropriate, proportionate and necessary.</p>
What happens post approval?	<p>Eligible applications will be assessed as follows:</p> <ul style="list-style-type: none">• Due diligence including a financial and commercial assessment. This stage will involve company engagement with Enterprise Ireland (Údaras na Gaeltachta where relevant).• Based on the outcome of the due diligence, applications will be deemed fundable or not.• Enterprise Ireland’s approving committee will be presented with an assessment of the company submission, which will examine the commercial viability, return to the State and value for money.• Companies approved funding will be contacted and Letters of Offer drafted and issued.

CHECKLIST OF INFORMATION NEEDED BY ENTERPRISE IRELAND

Document	Note
Application Part 1 of 3 – Business and Project Plan	Standard Application Form.
Application Part 2 of 3 – Project Costs Workbook	Detailing Project Costs. This is a separate excel spreadsheet , provided in the pack. Separate worksheet is provided for both R&D and Capital.
Application Part 3 of 3 – Completed & Verified FDS	Please complete the Financial Data Sheet (FDS) and check its accuracy. It should correspond with the Audited/Management Accounts and the company's projections. A Financial Data Sheet is a separate Excel spreadsheet provided in the pack and is compulsory for the Covid-19 products scheme.
Projected Monthly Cash Flows	Please provide <u>monthly</u> cash flows covering 12 months from the start date of the project. It can be provided in the relevant section of the FDS or separately, at your discretion.
Full Financial Projections	Please forward a softcopy of the company's own Full financial projections for three (3) years to include Profit & Loss, Balance Sheet and Cashflow – monthly for the three-Year Plan. This must be in Excel Format.
Audited Accounts	Copy of the latest signed audited accounts for the last three (3) years (consolidated if part of a Group) or where appropriate, statutory accounts (unabridged) for last three years. (Where small company exemption applies, unaudited accounts produced by the external accountant is sufficient).
Latest Management Accounts (P&L and Balance Sheet)	Copy of the latest management accounts to include Profit & Loss, Balance Sheet and Cash-flow no more than three (3) months old.
Organisation Chart	A diagram showing the structure of the company and the relationships between the parts (including names of top management).
Group Structure (if applicable)	Please provide a diagram outlining the companies in the group – showing the shareholding of each and the relationship. Indicate which company owns any IP and provide supporting evidence.
Company Bank Details (if applicable)	<p>The bank statement for the most recent month as requested above should detail clearly:</p> <ul style="list-style-type: none"> • Name of the bank account (which must be the same name as the recipient company) • IBAN • BIC • Account number • Sort code • Bank Name • Bank Branch Name <p>This is to facilitate the Electronic Funds Transfer</p>

	<p>Please note: A member of Enterprise Ireland’s Finance Department may contact the Company by phone to verify the bank details supplied. Please note that the Company will only be requested to confirm the last 4 digits of the Company’s IBAN/Account no. This is a security measure to protect against fraud. If this information is not verified, this will result in the delay of the transfer of funds. Please be advised that these bank details will be kept on the above named Investee/Grantee account in Enterprise Ireland’s Finance Department and will be used for future Equity/Grant payments. If there are any changes to these Bank Account details please ensure to advise in writing to Bank.confirmation@enterprise-ireland.com.</p>
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Please provide all information in electronic format. The application form must NOT be a pdf document.

Submission of Applications	When the application has been completed, it, along with the additional information listed, should be emailed to: GA-CPS@enterprise-ireland.com
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