



YOU
START **IT**

6TH EDITION

Accelerator Programme 2020

MIH2020/006

Programme Guideline

Introduction to the programme

YouStartIT is an equity-free mentor-driven early stage accelerator programme run by the MITA Innovation Hub (MIH). The programme funds and supports early stage tech startups to execute a proof-of-concept project based on an idea and/or early prototype requiring further validation and development in the chosen market.

This edition of YouStartIT is offering a pre-seed investment and pro bono services of up to €30,000 to FIVE early stage tech startups selected competitively from our pre-accelerator YouStartIT Validator 2 and in line with the chosen Thematic Area. Due to the circumstances associated to the Covid19 pandemic, for this edition of the YouStartIT Accelerator we will not be accepting any startup teams applying to join the accelerator directly from the open market as done in previous calls.

The pre-accelerated startups selected to join the programme will get an opportunity to research, develop and create their own marketable Intellectual Property which they can use to kick-start their business and eventually scale up. The selected Startups are expected to follow the programme on location through the physical presence of at least one founder in Malta for the entire programme duration, or online depending on Covid19 developments.

Startups must propose what they believe is a desirable, feasible and viable solution to the problems affecting their target market. The value of the ideas proposed must be validated by market research and early customer feedback aimed to test a hypothesis that their chosen customers will use such a proposed solution and will eventually sustain the business.

Summary of the main legal requirements

The selected startups will be required to:

1. Follow the entire programme by being physically present in Malta with minimum one of the two Startup founders attending all activities and events of the accelerator programme, or online insofar as Covid19 restrictions are in place.
2. Appoint in writing one of the co-founders, as a Project Coordinator, and another as a Product Manager, who shall have the responsibilities defined in Appendix A of the Letter of Award.
3. Sign a Letter of Award and comply with all related terms and conditions, published together with this document.
4. Formalise as an unlisted Small Startup Undertaking registered in Malta prior to completion of the programme. This can take the form of a Partnership or Limited Liability Company¹ which must not have a start-up date preceding 31st August 2020².
5. Sign the Declaration of State Aid, even if not yet formalised into a business undertaking; in such a case each co-founder of the Startup will jointly sign the declaration.
6. Commit that all Intellectual Property (IP) rights over ownership or use of any software or hardware developed during the accelerator programme shall be vested with the Malta registered Small Startup Undertaking they intend to set up.

¹ A Sole Trader form of business undertaking will be considered on condition that all co-founders are duly registered as self-employed persons with JobsPlus and all submit a signed power of attorney in favour of the co-founder accepting payment from MITA.

² In the case of self-employed 31st August 2015 as the date of registration with JobsPlus.

Calendar of the main events and touchpoints

Kick-off meeting	Mon 31/08/2020	Briefing session about communication, reporting, logistics and mentoring
Progress reporting	Mon 31/08/2020 to Fri 04/12/2020	Cohort meetings will be fortnightly every Monday with effect from 07/09/2020; individual team meetings will be fortnightly and scheduled using Doodle
Milestone plan	Fri 04/09/2020	Finalise and submit project milestone plan for inclusion in the Letter of Award
First session with mentors	Thu 11/09/2020³	Meet the mentors and present startup projects. Separate one-to-one sessions or thematic sessions facilitated by a mentor will eventually be scheduled as needed
Social Impact Agenda meetups	Mon 21/09/2020 to Thu 03/12/2020	Each startup organises at least one meetup ⁴ in line with Social Impact Agenda specifications; slots will be provided using Doodle
Interim test report	Mon 31/10/2020	Finalise and submit interim test report outlining the outcome of tests of at least an alpha version of the MVP
Final report & business plan	Fri 04/12/2020	Submission of (a) final report, appending early results of tests of the beta version of the MVP (b) business plan for evaluation ⁵
Demo day ⁶	Fri 04/12/2020	Startups present their project to mentors, institutional funders and angel investors
Evaluation	Wed 04/12/2020	MIH management team evaluate final report and business plan.

³ Date yet to be confirmed.

⁴ Only one meetup may be organised per week. Each startup need to organise the meetups individually and independently of other startups. Ideal times and days are Thursday mid to late afternoon.

⁵ Templates will be provided for the interim test report, final report and business plan.

⁶ Details about the venue will be announced later in line with Covid19 related restrictions.

High level programme description

This is a 14-week programme during which each Startup will execute their project agreed in their Letter of Award. Projects will be executed as one cohort.

In brief, the programme covers six main levels as shown in Figures 1 & 2 overleaf:

1. **Legal & Business.** The focus of this activity is on formalising into a business undertaking. Startup teams are to seek their own licensed/warranted corporate service provider, accountancy or legal firm to help them in this task – alternatively even Business First. It is vital that this process of formalisation is completed prior to disbursement of the second tranche of €8,000. MITA will be making available €2,000 upfront to support such a process, which should also be utilised to assess legal feasibility of the project and identify any specific legal, fiscal or accounting issue (e.g. GDPR, customer terms & conditions, shareholders' agreements, Intellectual Property issues, etc.).
2. **Technical.** More in-depth validation, customer engagement, rapid prototyping and further testing required to develop or improve the proposed solution. The Startup will report to the MIH about the status of tasks and activities in its Milestone Plan, as well as fulfil all its responsibilities and obligations as identified in the above-mentioned Letter of Award and appendices. These include the delivery of an Interim Test Report, a Final Report and Business Plan, which must address all relevant objectives. The MIH will provide feedback and advice and/or connect the Startup to mentors with experience and expertise of relevance to the Startup (e.g. help in drawing up a marketing plan, business plan or customer persona). This process is done through one-on-one meetings and through fortnightly cohort meetings.
3. **Social Impact Agenda.** This is a framework designed to ensure all Startups being accelerated (a) return value, talent and knowledge to the local startup ecosystem (b) learn to be enterprising and entrepreneurial in their attitude and (c) participate actively in our programme. Details about how the Social Impact Agenda works, and especially its impact on the final instalment of their grant, can be found in Appendix C of the Letter of Award.
4. **Mentoring.** The MIH will use its endeavours to connect each startup to a number of mentors who all come with their baggage of experience and expertise which could be thematic or specialistic (e.g. a marketer or a project manager) or more general or holistic (e.g. a tech entrepreneur). An MIH mentor position is **not** a paid position, so please be mindful and respectful of the time mentors are willing to make available.

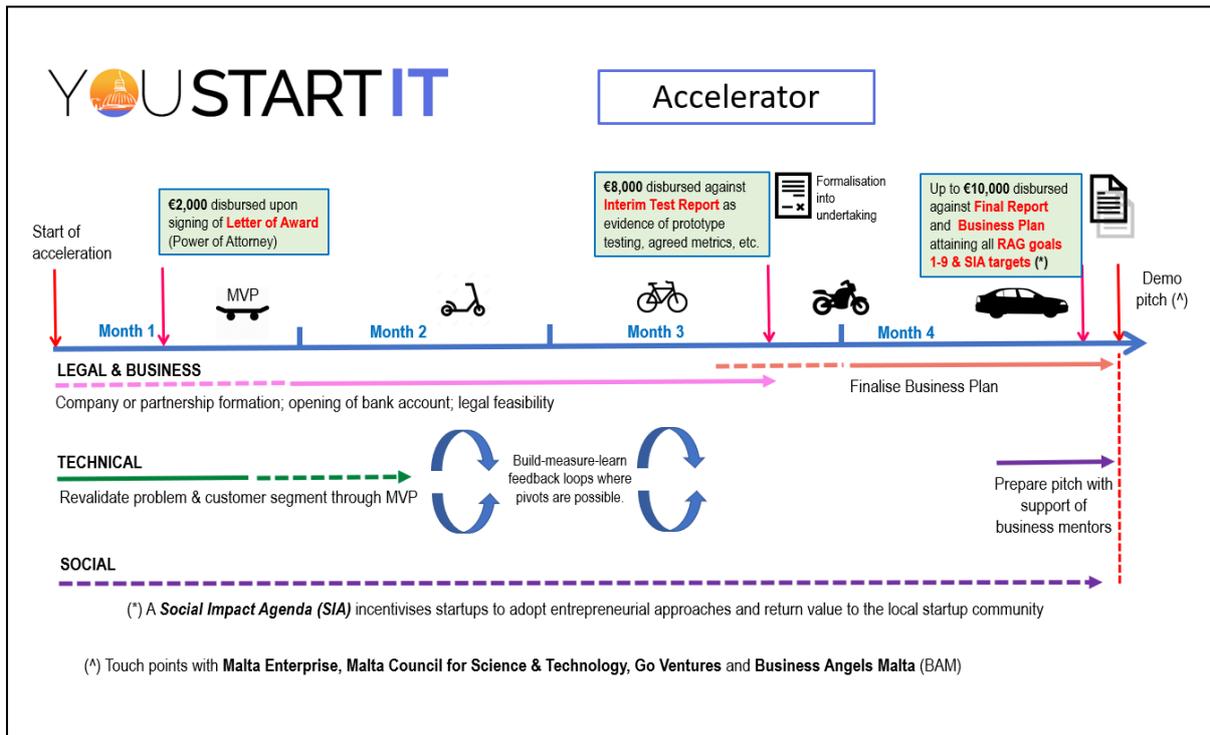


Figure 1: Acceleration covering legal & business, technical and social aspects

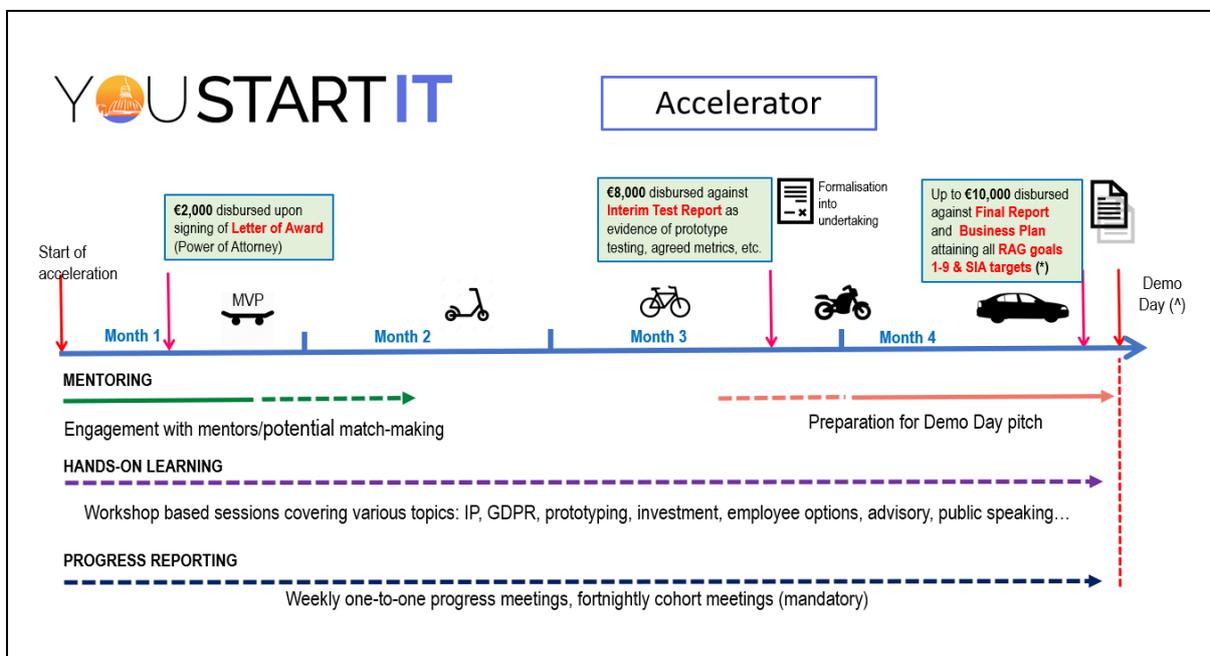


Figure 2: Acceleration covering mentoring, hands-on learning and progress reporting aspects

5. **Hands-on learning.** A number of workshops or seminar-based sessions will be organised covering various topics: among them managing your project using JIRA, how to raise money from private investors, UX/UI, communicating and pitching your startup project, IP/legal, company/partnership formation, marketing and others.
6. **Progress reporting.** Managing a startup project in a fast-paced environment is vital for success in meeting the various milestones. Each startup team is expected to report about progress openly within the cohort and be ready to contribute with suggestions and ideas to other teams; and conversely be ready to accept constructive criticism. The individual team meetings with the MIH team will provide more leeway to discuss more detail about the project and provide targeted advice as and where needed.

By the end of Acceleration, the Startup must demonstrate that it is a credible team that:

- is legally formalised into a business undertaking in line with its future vision
- has gained a proven / documented experience with customers in their chosen market to determine prospects for further investment
- has completed all/any relevant alpha and/or beta version testing on their new or enhanced prototype, and gained customer feedback which informs their Business Plan, and go-to-market strategy, business model and funding strategy contained therein.
- is able to deliver a fairly well polished product featuring the team's business proposition
- has met all the set objectives and completed the deliverables listed in the Letter of Award

If the Startup chooses an area which requires the provision of public data not already made available as open data, or subject matter expertise in specific sectors of the Maltese public administration, MITA will use its best endeavours and reputation to support or broker relationships with the relevant government owner of such data or expertise.

What each selected startup will get

During the 16-week intake period each startup will receive the following mentoring and support services:

- €20,000 in cash disbursed in instalments against set deliverables, usually four: (i) upon signing the Letter of Award (ii) upon complete set-up of a business undertaking (sole trader, partnership or company), (iii) an interim test report (iii) a final report and or business plan or equivalent business document (e.g. white paper, marketing strategy) in line with each startup's agreed plan.
- €10,000 worth of services comprising around 90 contact hours with our in-house and external mentors, and access to a 24x7 co-working space during the course of the programme⁷
- The involvement or participation of the Startup in MIH organised activities such as investor demo days, meetups, workshops, seminars, focus groups, test sessions, public fora, interviews and press launches; some of these may be mandatory for all members of the Startups selected for Acceleration.
- Leveraging MITA's media presence, reputation and endorsement

In addition, the offer of several thousands of Euro worth of technology and cloud perks from some of the world's top-tier technology providers.

The €20,000 cash component of the grant is disbursed in line with performance and active participation in the programme as stipulated in the Letter of Award. To become eligible for payment of the second and third instalments of the cash grant, ALL objectives must be attained and ALL deliverables must be complete and to the satisfaction of the MIH manager. Pro rated payments for partial attainment of these targets, or extensions to project duration into 2020 to offset partial delivery, shall NOT be contemplated.

State aid

The MIH Call for Startups operates under the *de minimis* State Aid regime, which sets out that a single undertaking cannot receive more than €200,000 in aid over any three fiscal years through schemes operating under this regime. Applicants should therefore ensure they are eligible for the requested grant under State Aid rules before submitting an application. Refer to the State Aid Declaration in Annex 1 published with this call.

The total value of state aid provided through this call is €30,000 per Startup.

⁷ This is temporarily suspended due to the ongoing Covid19 restrictions

Annex 1-State Aid Declaration

Prior to providing you the assistance being offered by this call, we need to ensure that we comply with state aid rules⁸. The assistance is being given under the European Commission's State Aid regulations. This allows a company to receive up to €200,000 of *de minimis* state aid over a rolling three-year period.

To confirm that you are able to receive this assistance you must therefore declare the full amount of De Minimis aid you have already received over the last three fiscal years.

This maximum threshold would include all state aid granted under this scheme and any other State aid measure granted under the de minimis rule. Any de minimis aid received in excess of the established threshold will have to be recovered, with interest, from the undertaking receiving the aid.

The following is not a comprehensive list of the possible forms of State aid. However, it should give an indication of the most common forms of aid which you could have been given over the past three years:

- Grants from public bodies
- Loans or loan guarantees at favourable rates
- Tax benefits
- Waiving or deferral of fees or interest normally due
- Marketing and advertising assistance
- Consultancy, training and other support provided either free or at a reduced rate
- Aid for investment in environmental projects or research and development assistance
- Purchase, rent or lease of immovable property at less than market rate.

Potentially any assistance from a public body may constitute State aid. Should you have any doubts whether any public assistance you may have received is de minimis aid, please clarify this with the agency or department that provided such assistance.

In the event that you are a shareholder in one or more separate companies which have received a form of State Aid, it is in your interest to check directly with the State Aid Monitoring Board to ensure correctness in your declaration.

Declaration

I declare that a comprehensive amount of *de minimis* aid received to date during the current fiscal year and the previous two fiscal years is as follows:

<i>Fiscal Year 2017</i>	<i>Fiscal Year 2018</i>	<i>Fiscal Year 2019</i>	<i>TOTAL</i>
€	€	€	€

⁸ Commission Regulation (EC) 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

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A breakdown of the source, type and amount of all *de minimis* aid received as well as that applied for from any State aid grantor, is presented below.

If no *de minimis* aid was received please mark as Nil.

Business Undertaking (Full Legal Name)	VAT Registration Number
Name and Surname (BLOCK CAPITALS)	Position in Establishment
Signature	Date
Business Undertaking (Full Legal Name)	VAT Registration Number
Name and Surname (BLOCK CAPITALS)	Position in Establishment
Signature	Date

Detailed information concerning applicable State aid under the de minimis rule.

(Note: Information should include both State aid received as well as applications for *de minimis* State aid still pending approval by potential grantors)

Date	Source/Grantor	Type of State Aid	Amount in €
<i>E.g: 2/01/2018</i>	<i>Central Government</i>	<i>Soft Loan Scheme</i>	<i>10,000</i>