

# The European Innovation Council (EIC)

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European  
Innovation  
Council





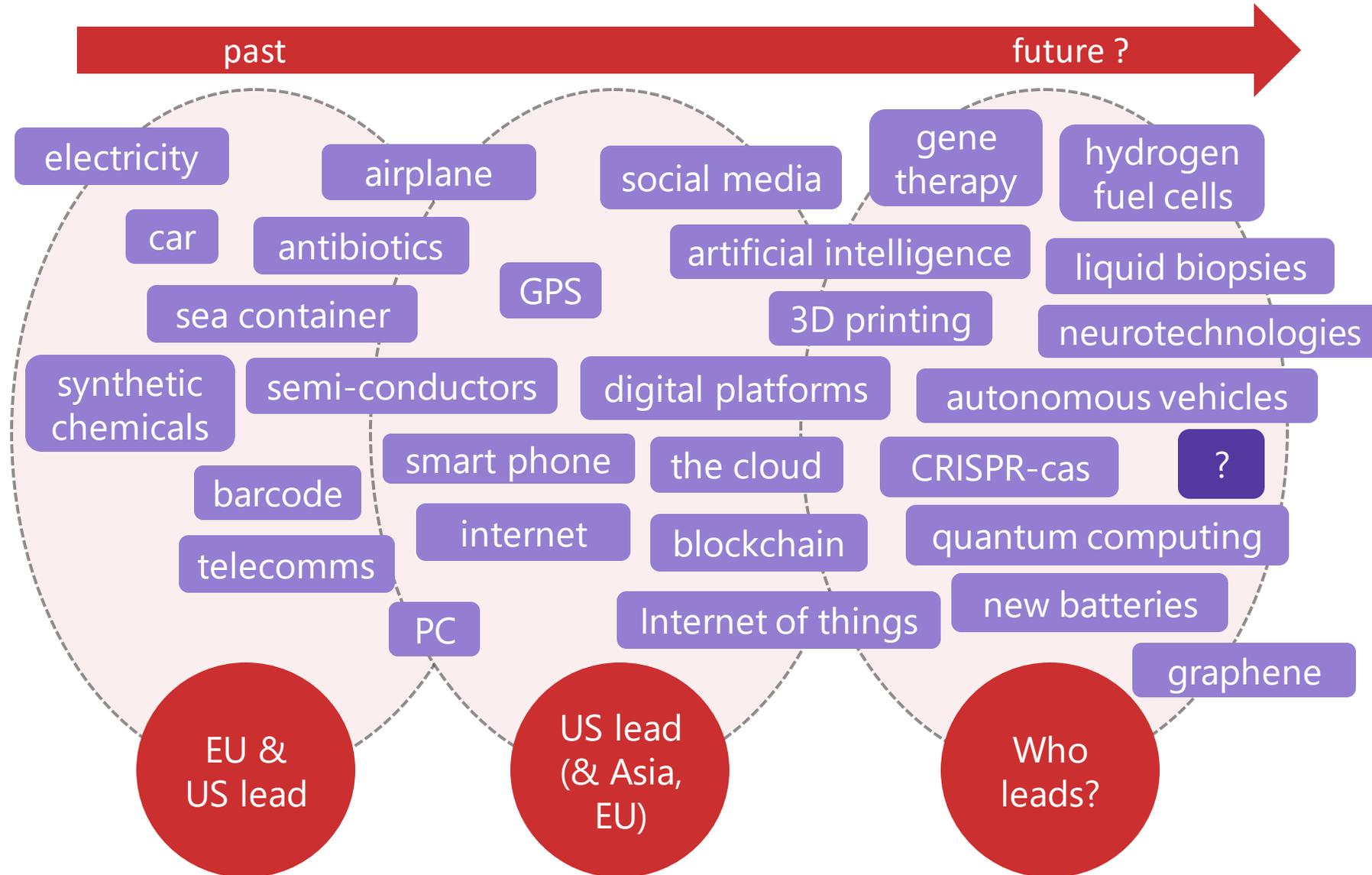
# Europe's most ambitious innovation initiative

- **€10 billion** programme to identify, develop and scale up breakthrough technologies and disruptive innovations in Europe
- **Unique** in the world to combine research on emerging technologies (Pathfinder) with Accelerator for startups, SMEs and scaleups
- EIC set to become **largest deep-tech investor** in Europe (over €3 billion)
- Enhances the **European innovation ecosystem** (partnerships with EIT, ERC, etc)
- **First work Programme** adopted 18 March 2021, €1.5 billion
- **Second Work Programme** adopted 7 February 2022, **€1.7 billion**

**EIC Info Day 2022:** [https://eic.ec.europa.eu/events/european-innovation-council-online-info-day-22-february-2022-2022-02-22\\_en](https://eic.ec.europa.eu/events/european-innovation-council-online-info-day-22-february-2022-2022-02-22_en)

**EIC Work Programme 2022:** [https://eic.ec.europa.eu/eic-work-programme-2022\\_en](https://eic.ec.europa.eu/eic-work-programme-2022_en)

# What is at stake: who will lead on the next wave of strategically important technologies?



Examples taken from WIPO, MIT, WEF, OECD, etc.

## Pathfinder

- Early stage research on breakthrough technologies (TRL 1-4)
- Grants up to 3 to 4 million EUR

- Technology maturation from proof of concept to validation (TRL 3-6)
- Grants up to 2.5 million EUR

## Transition

## Accelerator

- Development & scale up of deep-tech/disruptive innovations by startups/SMEs (TRL 6-9)
- Blended finance (grants up to 2.5 million EUR; equity investment up to 15 million EUR)

**European Innovation Council (EIC)**



# EIC Accelerator

## What are we looking for?

**Start-ups and SMEs** seeking to **scale up** high impact innovations with the **potential to create new markets** or disrupt existing ones

Innovations building on **scientific discovery** or technological breakthroughs ('**deep tech**')

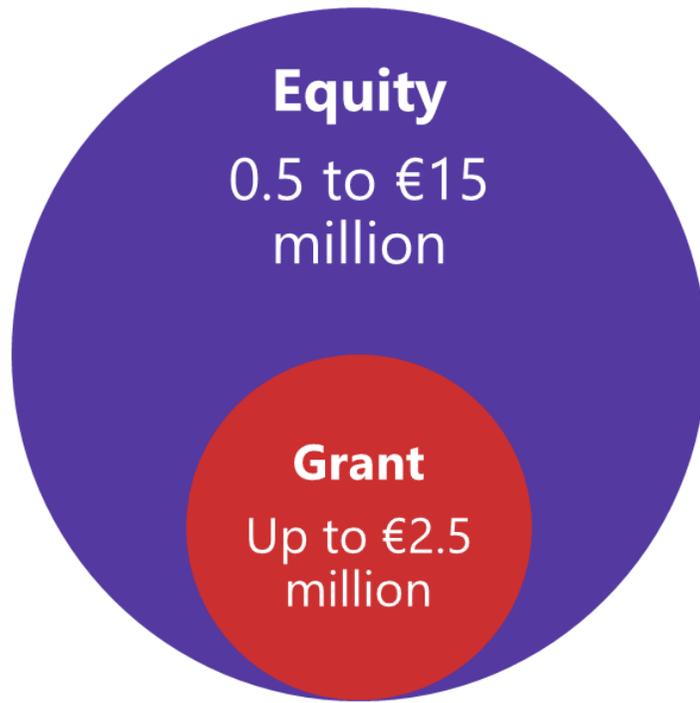
Innovations where **significant funding** is needed over a **long timeframe** and are **too risky** for private investors alone



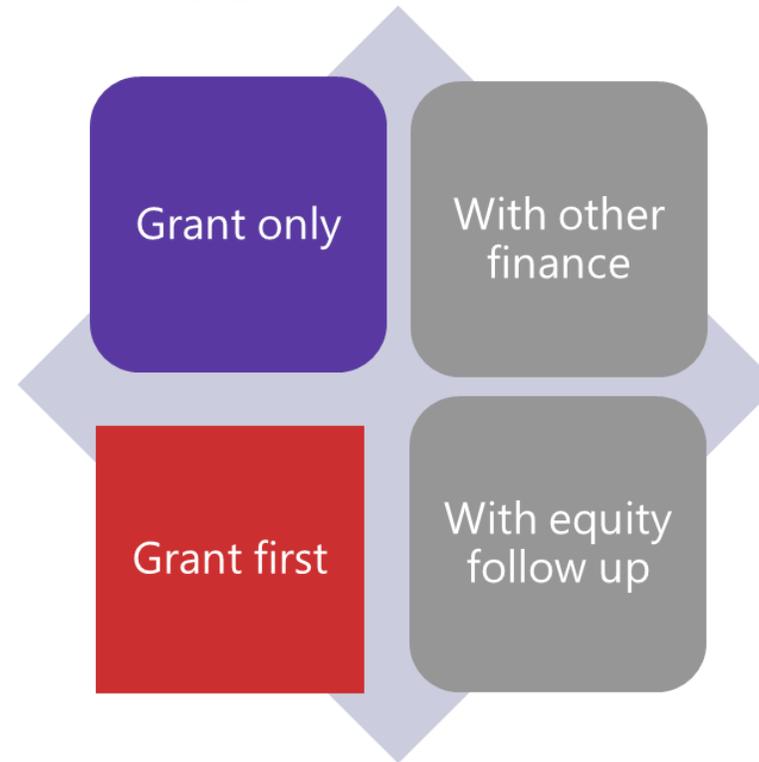
# EIC Accelerator

## What can you apply for?

### EIC Blended Finance



### Also



# EIC 'Blended finance' =

## Grant component

- maximum EUR 2.5 million
- eligible costs are reimbursed up to a maximum of 70%
- innovation activities supported should be completed within 24 months
- small mid-caps are not eligible for grant (but can apply for investment only).



## Investment component

- **minimum EUR 0.5 million and maximum EUR 15 million**
- **usually in the form of direct equity or quasi-equity**
- **Minority ownership (maximum 25% of the voting shares of the company)**
- **“patient capital” principle (7-10 years perspective on average, max 15 years).**

# EIC Accelerator 2022=

1) EIC Accelerator Open (€623 million call)



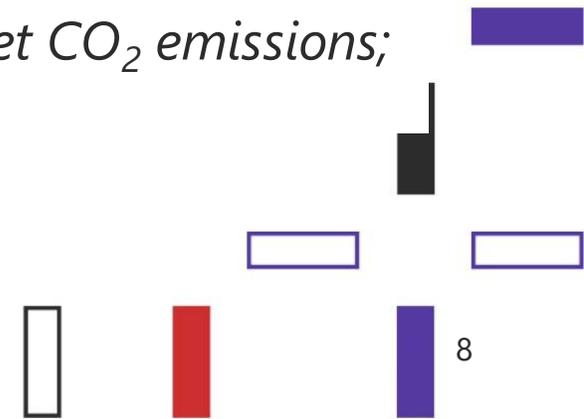
2) EIC Accelerator Challenges (€537 million call)

- **EIC Accelerator Challenge:** Technologies for Open Strategic Autonomy

*Significant reduction of the European dependency on other regions for deep-tech innovations and services of EU key strategic interest; strengthening of European competitiveness, security and open strategic autonomy.*

- **EIC Accelerator Challenge:** Technologies for 'Fit for 55'

*Accelerating decarbonisation by having high potential impact on reducing net CO<sub>2</sub> emissions; more inclusive and steady acceleration towards climate neutrality by 2050*



# EIC Business Acceleration Services



- For **all EIC awardees/investees**
- Access to **coaching, mentors, expertise and training** (e.g. business advice, IP protection, commercialization, etc.)
- Access to **global business partners** (e.g. international co-investors, clients, procurers)
- Access to **innovation ecosystems and peers** (e.g. research infrastructures, IPR helpdesk, EUIPO, local incubators/ accelerators, EIT KICs, EEN)
- Access to the **EIC Community platform**, as virtual meeting place for collaborations, partnerships, investors



# EIC actions to support women innovators

- Target to **interview 40% of women-led projects** who meet all the excellence criteria
- The **EIC Women Leadership Programme** to support emerging female innovation leaders
- The annual **EIC Prize for Women Innovators** for women entrepreneurs that have founded a successful company (three €100,000 “Women Innovators” prizes and three €50,000 “Rising Innovator” prizes)
- The **Women TechEU 2022 programme\***: grant of EUR 75 000 for women-led tech startups

\*Funded by EIC but launched through the European Innovation Ecosystems (EIE) work programme

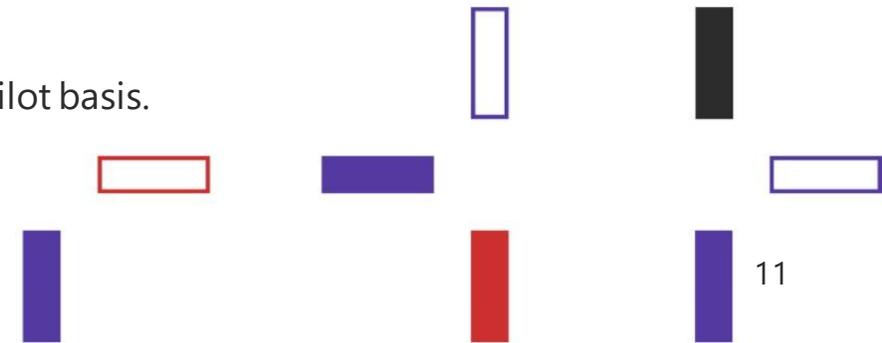




## EIC Accelerator equity funding

- The EIC invests at **early stage** (seed, start-up, scale-up) from **€0.5 to 15 million\*** in the form of equity or quasi-equity.
- Intended to finance **market deployment and scale up**.
- **Crowding in** of co-investments and follow-up investments in EIC funded companies of **3-5 times the level of EIC funding**
- The EIC may reserve **follow-on capital** to invest in subsequent series.
- The EIC invests across **all technologies and verticals**, across **all EU countries** (and associated countries).
- The EIC provides **patient capital** (investments will normally be made with a long average perspective (7-10 years) with a maximum of 15 years).
- The EIC usually targets **minority ownership** stakes (from 10 to 25%), and up to a blocking minority in cases identified by the EC as of strategic interest for the EU.

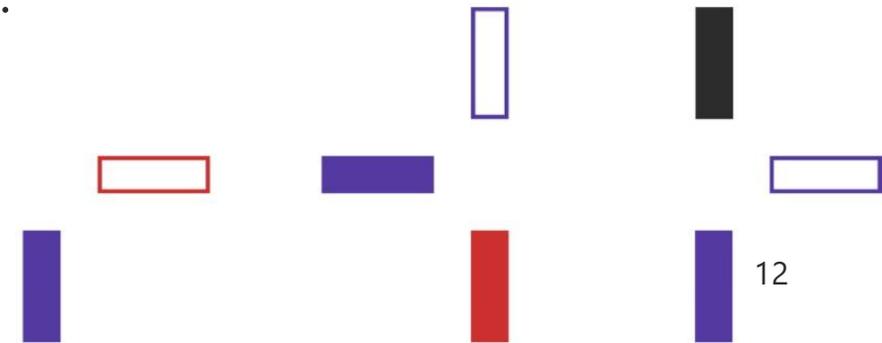
\* A more than EUR 15 million investment request is allowed in duly justified cases in 2022 on a pilot basis.





## The EIC Fund

- **Manages equity investments** in startups & SMEs selected by EIC Accelerator.
- The EIC Fund **is a venture capital fund**: Reserved Alternative Investment Fund (RAIF).
- The **European Commission** is the **shareholder**.
- **Established in June 2020** under direct management by the Commission.
- The **European Investment Bank (EIB)** is the **investment adviser**.
- Since its incorporation, the EIC Fund has **approved 137 deals** (EUR 616 million) and **signed 85 investment agreements** (disbursed amount EUR 240 million).





## The investment process ([EIC Investment Guidelines](#))

- 1. Initial assessment** (EIB): proposals selected by EISMEA (following the interview) go through initial assessment: possible investment scenarios ("buckets"\*).
- 2. Due diligence** (EIB, unless performed by co-investors) + **KYC-compliance** checks (EIC Fund).
- 3. Investment proposal** (EIB), potential draft financing terms discussed with the beneficiary and co-investors (if any).
- 4. Investment decision** (EIC Fund\*\*), which will either approve (sometimes with conditions), including the amount and terms, or reject the operation
- 5. Investment agreement** (EIB, law firms). The EIB will guide the preparatory work of legal documentation for signature.
- 6. Disbursement** (EIC Fund).
- 7. Portfolio monitoring and management** (EIC Fund).

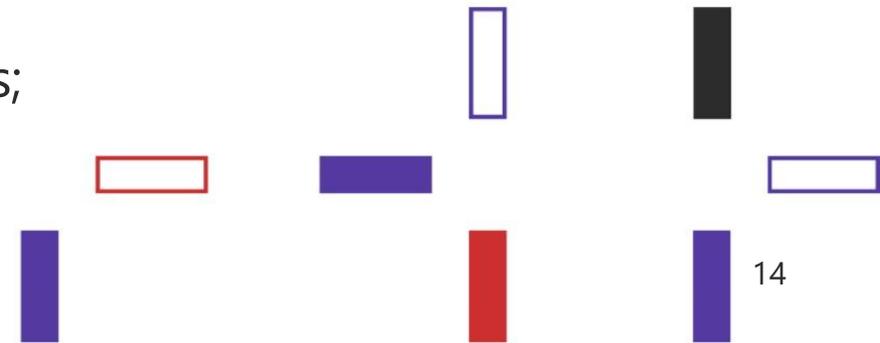
\* See next slides.

\*\* Managed by an external fund manager (see next slides).



## The EIC Fund in the future

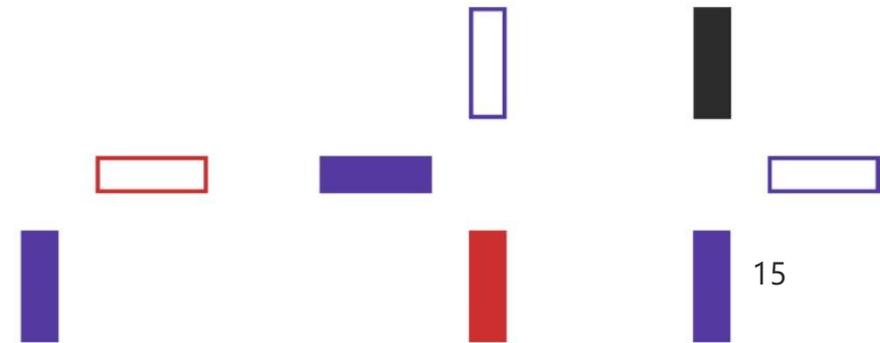
- The Commission is **restructuring the EIC Fund** to make it sustainable for the number and amounts of investments expected in the period 2021-27, drawing on the lessons learned from the pilot phase.
- **No impact on funding offered** by the EIC nor on the selection process.
- The European Investment Bank (**EIB**) will **continue as investment adviser** performing the due diligence and preparing the investment proposal.
- An **external fund manager** will make investment/divestment decisions and portfolio management.
- **EISMEA** will continue
  - conducting the **evaluation and selection** of proposals;
  - implementing the **grant** component;
  - ensuring **coordination** between grant and equity components;





## Due diligence

- The European Investment Bank (EIB) performs exhaustive due diligence and prepares the investment proposal:
  - Risk assessment, compliance and KYC
  - Product and technology
  - Market and competition
  - Commercialization strategy
  - Business plan and financial projections
  - Management
  - Board and governance
  - Ownership and capital structure
  - Optimal investment structure





# Investment scenarios\*

- Bucket 0: No Go. Substantial negative issues preventing any investment (fraud, misrepresentation, refusal or failure to submit requested information, manifest error of appreciation by the EC, substantial negative changes of circumstances)
- **Bucket 1: companies non-investment ready**, remaining very high risk despite the awarded EIC Accelerator support. The EIC Fund
  - will perform **full due diligence**; and
  - may proceed with the investment using **quasi-equity (or combined with equity)**, or propose to revert to **“grant first”**.
- **Bucket 2: potential investors show immediate interest in co-investing** alongside the EIC Fund.
  - **Equity investment** is at least **matched** by these other potential **qualified investors** (i.e. which will cover **at least 50% of the round**), having an **objective of 1:3** leverage for the full EIC investment cycle.
  - The **EIC Fund may rely** on financial, commercial and technology **due-diligence performed by the qualified lead investor** and may seek alignment to their terms.
- Bucket 3: potential investors show immediate interest in providing the full investment.

\* [EIC Investment Guidelines](#)



# Co-investment support for EIC companies: hands-on venture building offered to every company

## 1 Venture Building

- **EIC** works with startups on building a solid narrative starting from content- and strategy-heavy topics including validated market size estimates, competitive landscapes, pricing explanations and go-to-market plans.

## 2 Networking

- We then support the companies with becoming investor ready by helping them create their **Investor Materials and preparing them for the Fundraising Process and Networking.**

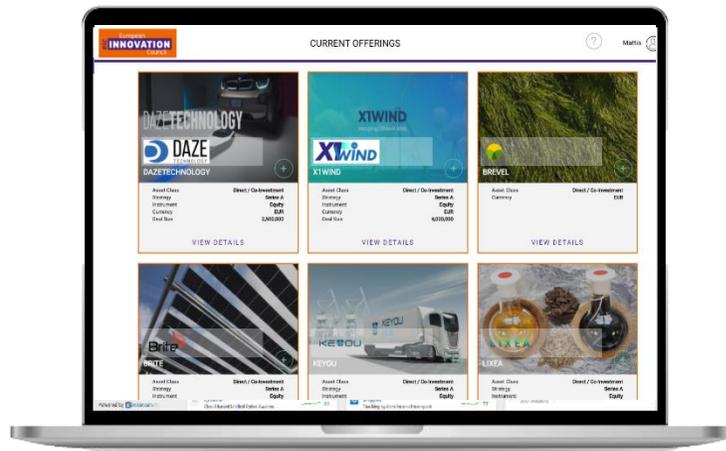
## 3 Fundraising

- In addition to tailored support for every individual portfolio company, we are also hosting several events for startups, investors and corporates to exchange ideas and close deals.
- This includes **e-pitching events** with angels, venture capital investors and corporates.
- We help the EIC portfolio companies to develop and execute a **comprehensive fundraising strategy**
- Specifically, startups can tap into and access the **rich investor network** and benefit from **personal introductions** facilitated by our Investment Managers and the **EIC co-investment platform.**



## Co-investment support

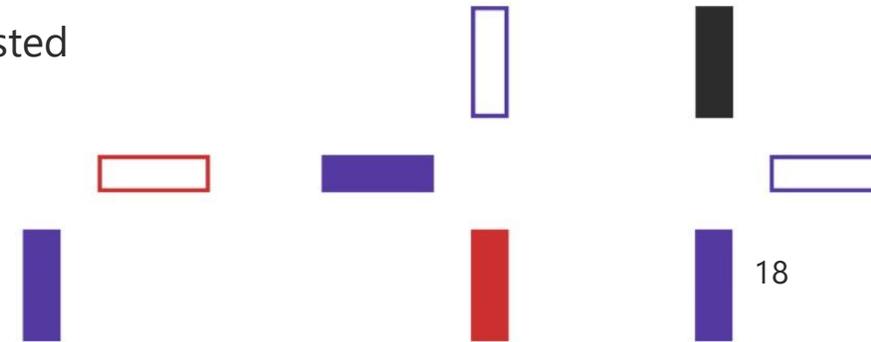
- EIC co-investor portal aimed to facilitate investor introductions (AtomInvest)



Register as an Investor  
[Survey.eicfund.eu](https://survey.eicfund.eu)

800+  
Investors  
Registered

140+  
Companies listed





# EIC Accelerator- The evaluation steps

1

- You have a disruptive/deep tech idea with potential to scale up
- **Tell us your story** and submit your short application to be assessed by remote evaluators

2

- To submit a full proposal, we help you to prepare **your business plan** and draft a proposal with our AI tool and coaching

- **You submit your proposal**

- Delays in the signature of the MoU have been overcome so far by internal agreements on business processes between EISMEA and RTD (e.g. WP drafting, consultations of policy DGs on EIC Challenges)

3

- **Your full proposal** is assessed by remote evaluators

4

- **You pitch your innovation** in front of the EIC Jury Members
- If selected you sign the EIC contract (including the grant component and – if applicable – an indicative amount of the investment component)

5

- **In case of investment component** you enter a due diligence process + compliance checks
- At the end of the process, you sign the Investment Agreement and your EIC contract is updated accordingly



# Evaluation criteria: Excellence



1

## **Breakthrough and market creating nature:**

Does the innovation have a high degree of novelty – compared to existing products, services and business models – with the potential to create or significantly transform markets?

2

## **Timing:**

Is the timing right for this innovation in terms of market, user, societal or scientific or technological trends and developments?

3

## **Technological feasibility:**

Is the innovation based on a technology or technologies that have been adequately assessed at least in a laboratory environment and relevant environments to characterise the potential and assess the level of risk (at least TRL 5/6)?

**Is the technology developed in a safe, secure and reliable manner?**

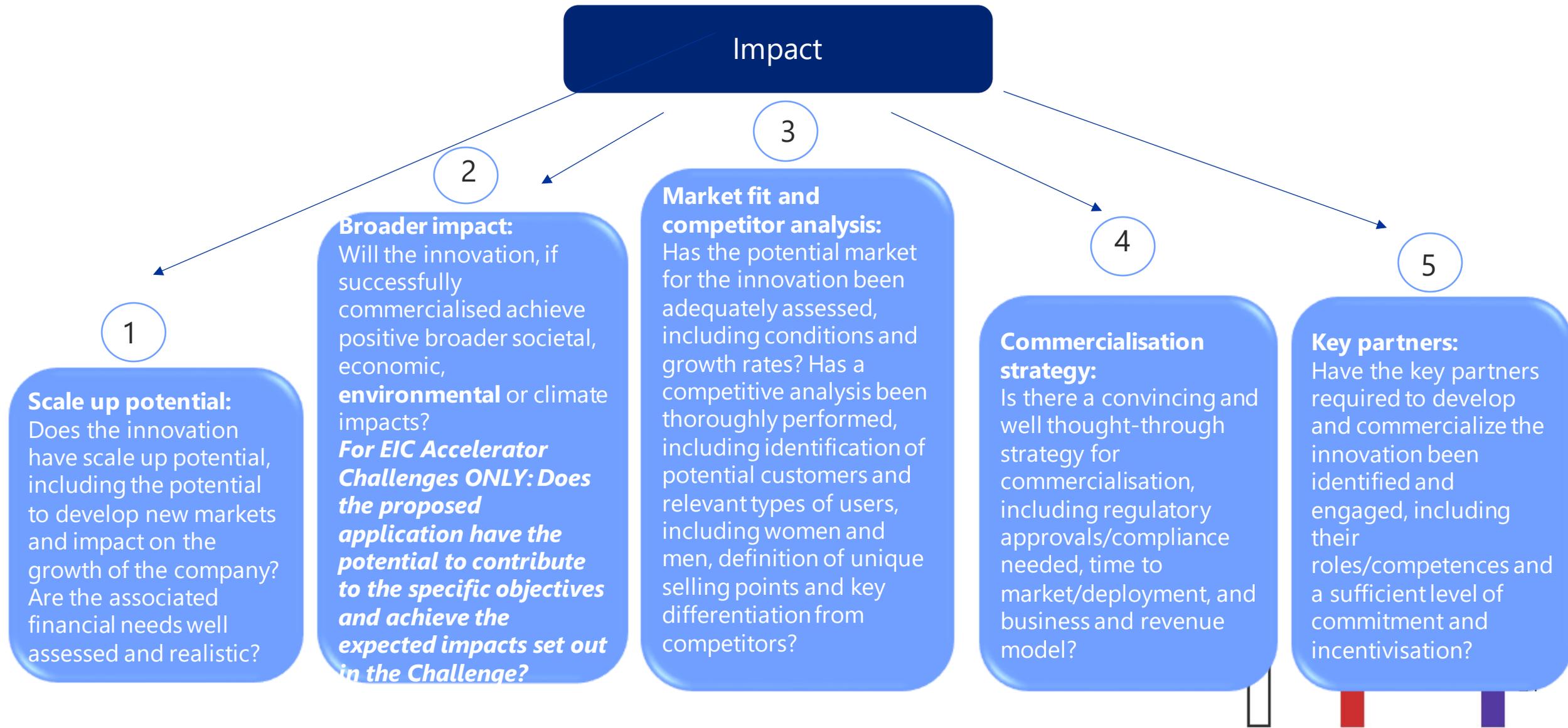
4

## **Intellectual Property:**

Does your company have the necessary Intellectual Property Rights to ensure freedom to operate and adequate protection of the idea?



# Evaluation criteria: Impact



# Evaluation criteria: implementation



Level of risk, implementation and need for Union support

1

## Team:

Does the team have the capability and motivation to implement the innovation proposal and bring it to the market? Is there a plan to acquire any critical competencies which are currently missing, **including adequate representation of women and men?**

2

## Milestones:

Is there a clear implementation plan with defined milestones, work packages and deliverables, together with realistic resources and timings?

3

## Risk level of the investment:

Does the nature and level of risk of the investment in your innovation mean that European market actors are unwilling to commit the full amount alone? Is there evidence that market actors would be willing to invest, either alongside the EIC or at a later stage?

4

## Risk mitigation:

Have the main risks (e.g. technological, market, financial, regulatory) been identified, together with measures to take to mitigate them?



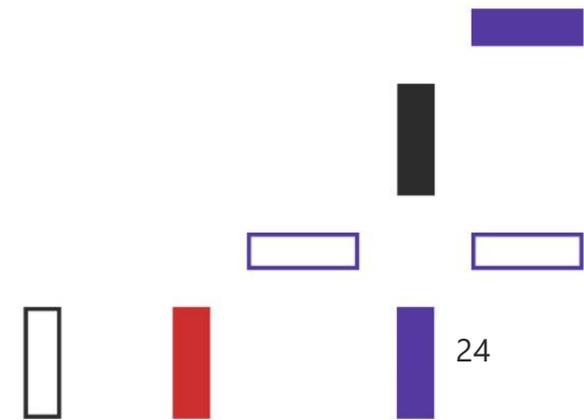
## EIC Accelerator 2022 – Cut-off dates

- **Companies can submit a short proposal at any time during the year and will receive feedback within approximately 4 weeks.**
- A cut-off is the date when a round of evaluations of full proposals start.
- For Accelerator Open and Challenges 2022, full proposals will be evaluated at:
  - Cut-off 1: March 23 [Interview weeks: 10/05 to 20/05]
  - Cut-off 2: June 15 [Interview weeks: 12/09 to 23/09]
  - Cut-off 3: October 5 [Interview weeks: 21/11 to 2/12]



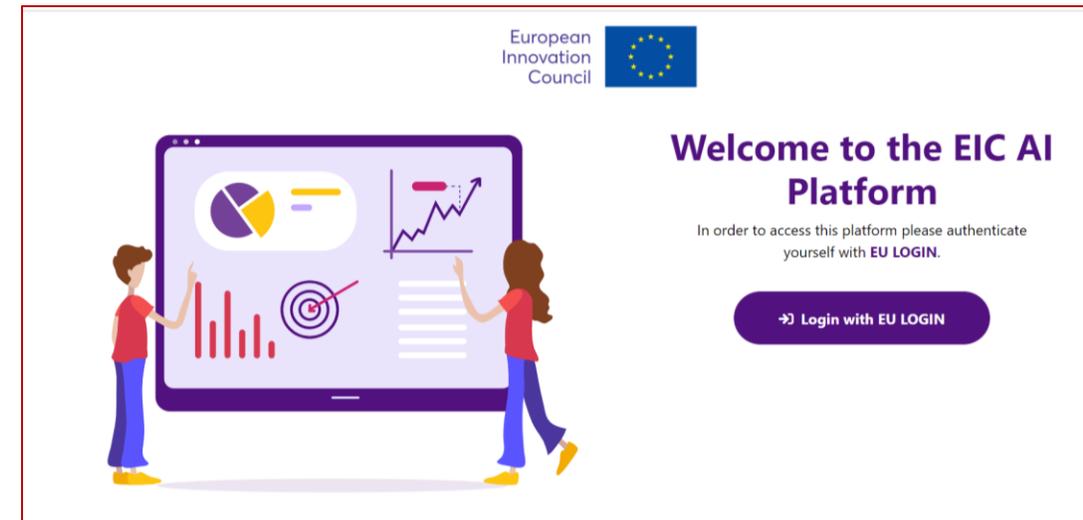
## EIC Accelerator companies: some success factors

- **Problem oriented**
- **Science-based**
- **Multidisciplinary**
- **Ecosystem approach**
- **High-risk – high-gain**



# EIC Accelerator 2022: How to apply

[https://eic.ec.europa.eu/eic-funding-opportunities/eic-accelerator\\_en](https://eic.ec.europa.eu/eic-funding-opportunities/eic-accelerator_en)



The screenshot shows the login page for the EIC AI Platform. At the top left, it features the European Innovation Council logo and the European Union flag. The main heading is "Welcome to the EIC AI Platform". Below this, a message states: "In order to access this platform please authenticate yourself with EU LOGIN." A prominent purple button with a right-pointing arrow contains the text "Login with EU LOGIN". To the left of the text, there is an illustration of two people standing in front of a large digital screen displaying various data visualizations, including a pie chart, a bar chart, a line graph, and a target icon.

## Support

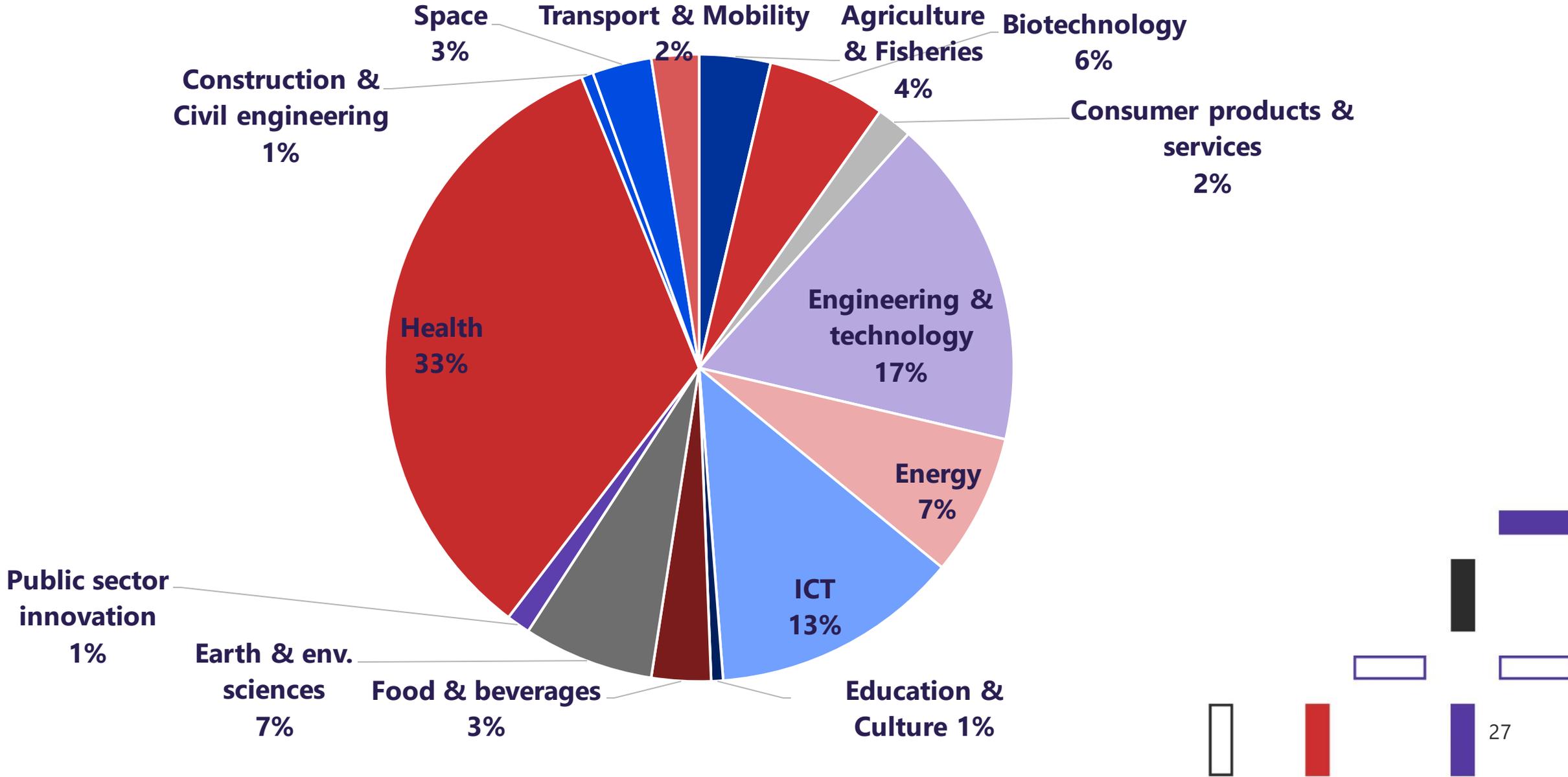
- <https://horizoneurope.apre.it/struttura-e-programmi/innovative-europe/european-innovation-council/>
- [eic@apre.it](mailto:eic@apre.it)



# EIC Accelerator funding in 2021

<p><b>Accelerator - Open</b></p>	<p>Short applications - Apply any time</p> <p><b>Over 5000 in 2021 ~ 500-700 per month</b></p>	<p><b>~€593m</b> (~grant/equity)</p>
<p><b>Accelerator – Challenges</b></p> <ul style="list-style-type: none"> <li>• Green Deal innovations</li> </ul>	<p>Cutoffs for full applications:</p> <ul style="list-style-type: none"> <li>• <b>16 June</b> ~ 800 applications, 135 interviews, <b>65 selected</b></li> </ul>	<p><b>~€495m</b> (~grant/equity)</p>
<ul style="list-style-type: none"> <li>• Strategic technologies: digital &amp; health</li> </ul>	<ul style="list-style-type: none"> <li>• <b>6 October</b> ~ 1000 applications, ~200 interviews, <b>99 selected</b></li> </ul>	

# EIC Accelerator 2021



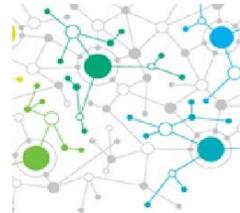
- **NCP**

- Calls Identification
- Pre-screening proposals General Information Policy



### Trainings

- Trainings on-site
- Webinars
- Coaching



### Information

- APREmagazine
- Studies & Publications
- Analysis

- **Advocacy**

- Liaison Office Partner
- Search Networking

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Renato  
Fa



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Stefania  
Marassi



# Thank you!

[https://eic.ec.europa.eu/eic-work-programme-2022\\_en](https://eic.ec.europa.eu/eic-work-programme-2022_en)

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