



European
eic INNOVATION
Council

**EIC
ACCELERATOR**

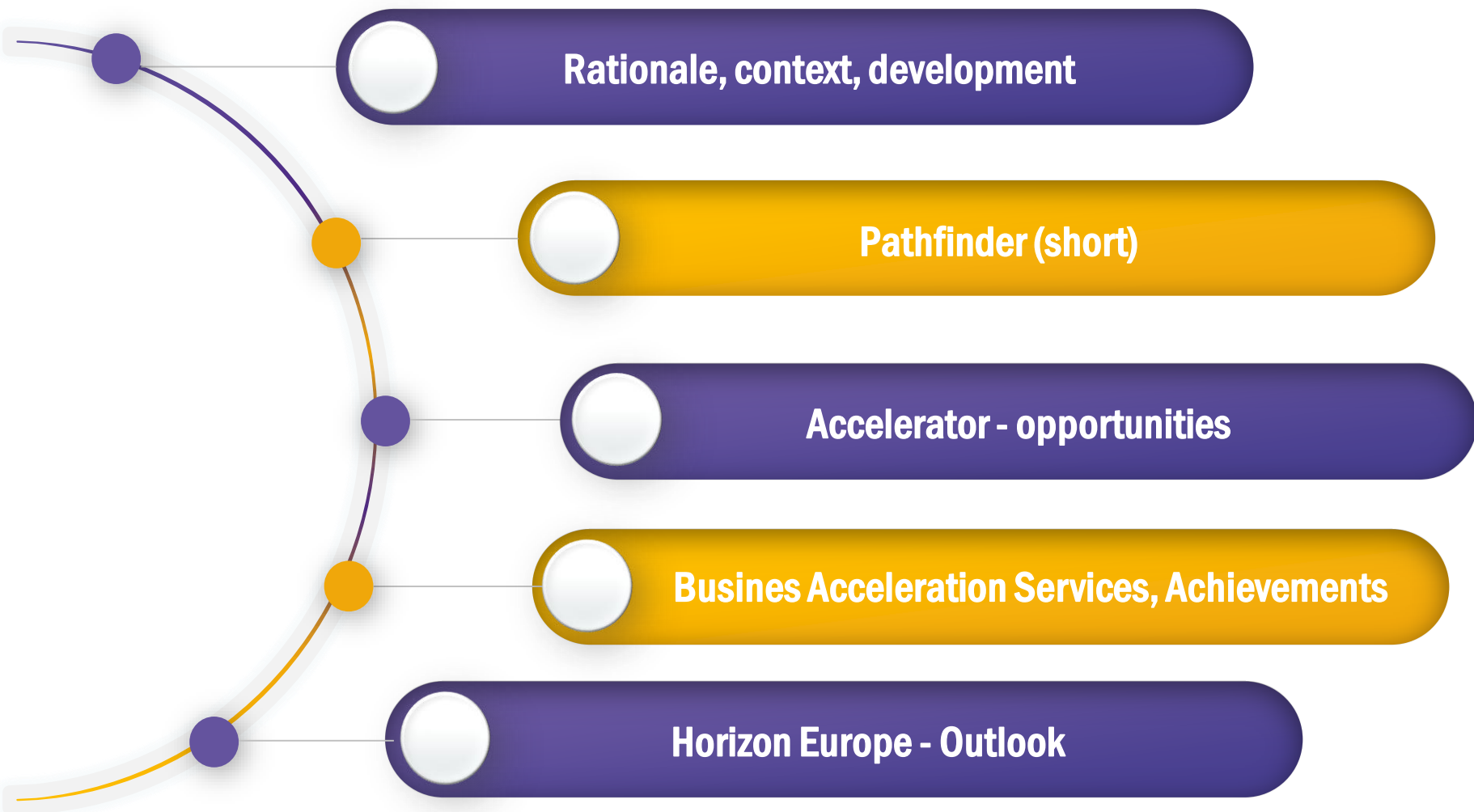
EIC Accelerator pilot (SME Instrument)

**Grzegorz Ambroziewicz
Deputy Head of Unit**

EASME - Accelerator Unit

*Research and
Innovation*





Rationale, context, development

What's holding back European innovation

Innovation performance

Lack of **breakthrough and disruptive innovations** that create new markets

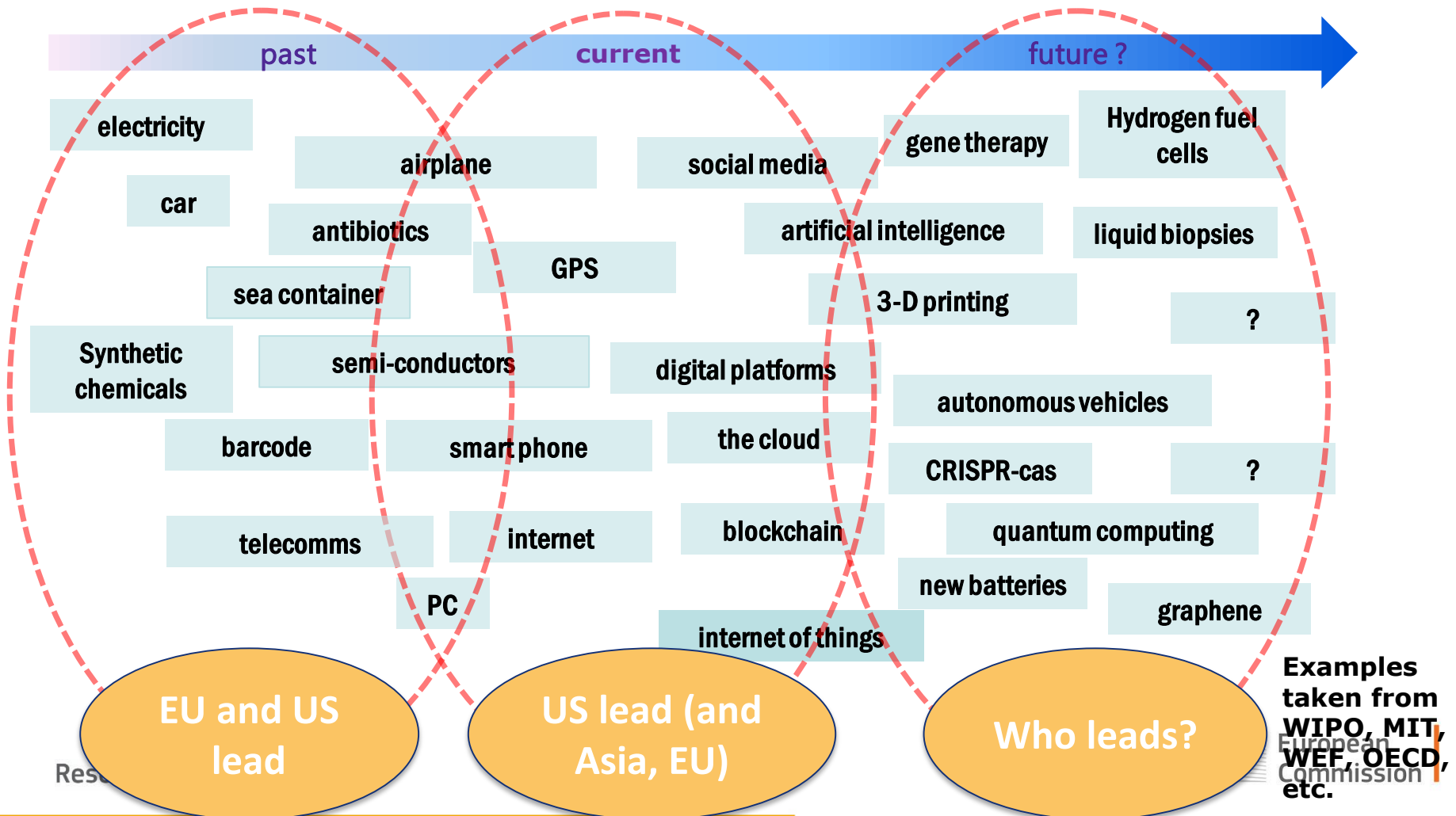
Innovation funding

Financing gap between R&D grants and private investment **for scaling up** innovative start-ups

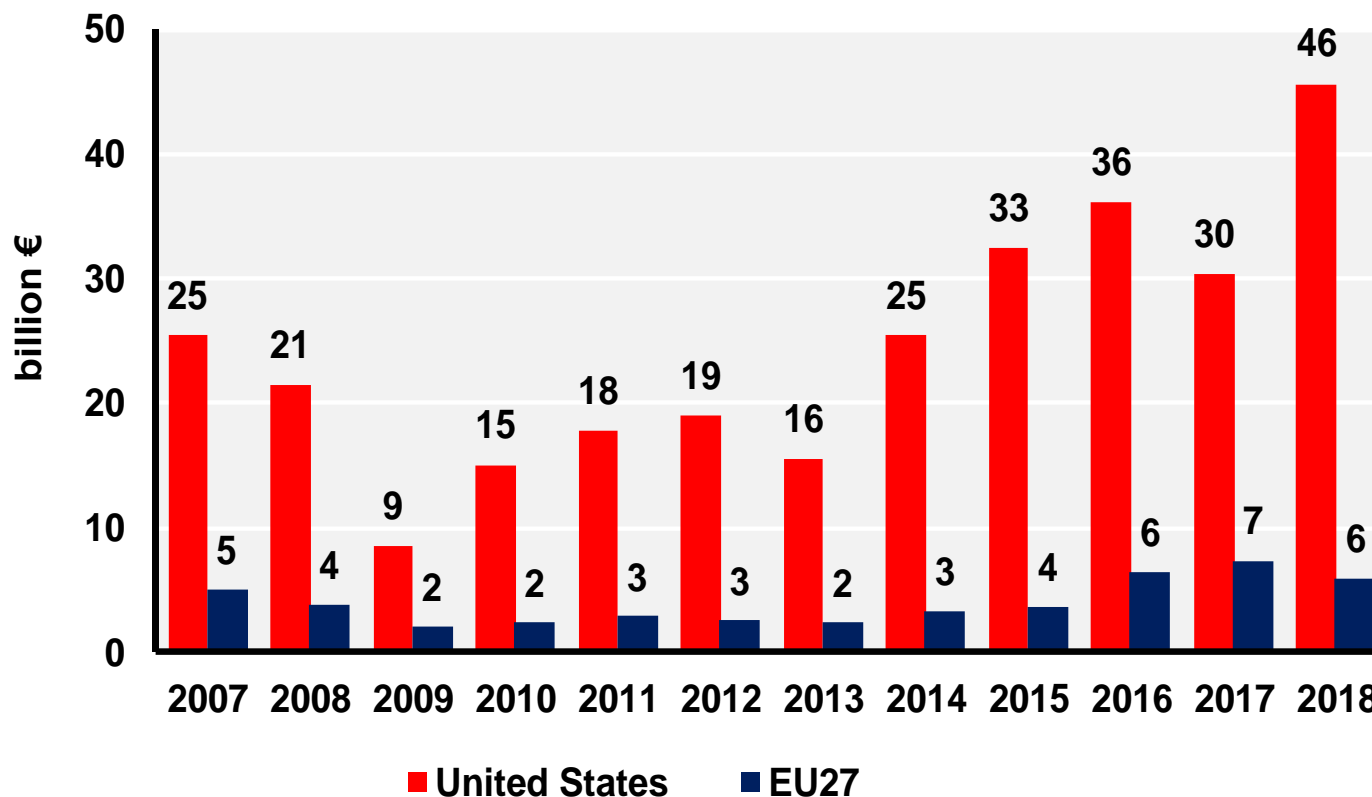
Innovation ecosystem

Many national & local ecosystems, but **fragmented at European level**

Who will lead the next wave of breakthrough and disruptive innovation?



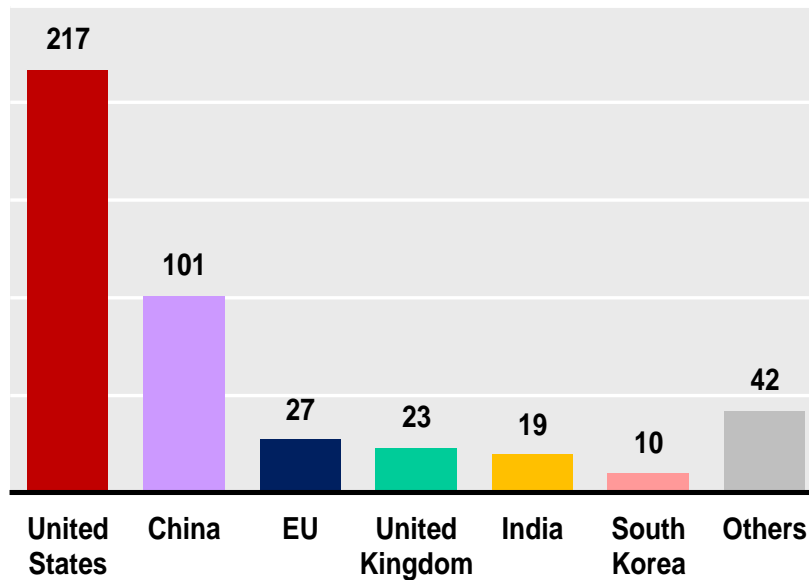
Financing gap: venture capital US vs EU



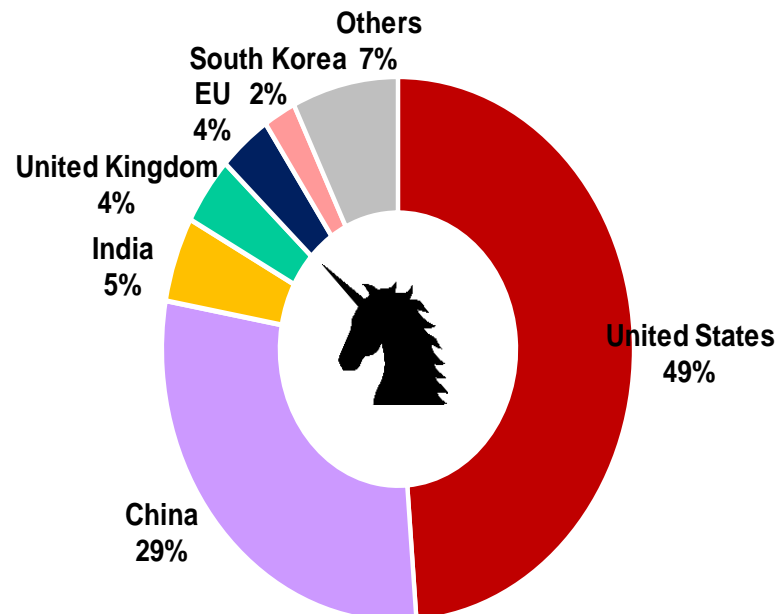
A gap persists in the average fund size between the EU and the United States. In particular, the gap in 2018 was the largest since 2007, with an average EU fund of 35mn€ which compares with an average fund of 174mn€ in the United States.

Private unicorns, January 2020

Number of private unicorns



Total valuation of private unicorns- geographical distribution (%)



The European Innovation Council

One stop shop for breakthrough & disruptive innovators

Open to all innovators, in any field, at any time

Highest potential innovators selected on basis of ideas and team

Agile funding from idea to investment

Pathfinder grants for advanced research on emerging technologies

Accelerator funding for innovative start-ups (<€2.5 million grant, <€15 million equity)

Crowding in private investment (VC, Invest EU)

Building ecosystems and communities

Access to mentoring and advisory services and to knowledge partners (e.g EIT)

Expert Programme Managers to engage with projects and communities

Prizes for breakthrough technologies

First pilot phase launched in 2018

- ✓ Budget of **€780 m** (2018) bringing together pre-existing schemes in one place (*SME instrument, Fast Track to Innovation, FET Open, Prizes*)
- ✓ Introduction of **open support** for Start-ups and SMEs (no predefined themes)
- ✓ Introduction of **interviews** with juries of experienced innovators & investors to select SMEs for funding
- ✓ Launch of major prizes for breakthrough innovations, e.g low cost space launcher (€10 million prize); artificial photosynthesis (€5 million prize)

Some results

- ✓ 6000 applications received (for SME phase 2 grants)
- ✓ Majority combining different fields: digital, energy, health, etc.
- ✓ 520 interviewed & 250 awarded funding (budget €450 million)
- ✓ Fast process (grant awarded in under 4 months)

Second phase launched in 2019

- ✓ **Increased budget of €1 billion** (2019) and inclusion of “FET Pro-active” in pilot EIC Pathfinder, with 6 target technologies + Transition activities
- ✓ **New EIC Advisory Board** to bring in leading innovators for strategy & implementation (appointed in July 19, meetings in Sept, Dec, Feb)
- ✓ **Introduction of pilot accelerator** with option to apply for blended finance (combined grant and equity):
- ✓ **Recruitment of first EIC programme managers**

Some results (EIC Pilot Accelerator Oct 19 + Jan 20 cutoffs)

- **> 3700 applications**
- **119 SMEs selected** (of which **60 blended finance**, ~ **75% of budget**)
- **Top countries:** FR (14), then ES, DE, CH and IL (all with 13).
- **1.157 Seals of Excellence**

Final pilot phase in 2020

- ✓ **Increased budget of €1.4 billion** (2020)
- ✓ **EIC Advisory Board** to present Vision for “full EIC” and roadmap for implementation
- ✓ **“Green Deal” EIC accelerator** (€300m, applications by 19 May)
- ✓ **Pilot for woman innovators** (startups with female CEO) - at least 25% at final interview phase.
- ✓ **Pilots with EIT KICs** to test collaboration mechanisms with EIC
- ✓ **First EIC programme managers** in post and operational
- ✓ **Establishment of EIC Fund** and first wave of equity investments/ co-investments



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Managing
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Founder of
Exporior
Venture Fund



**Roberto
Verganti**
Innovation
academic,
former RISE
group



Martin Villig
Co-founder of
Bolt (formerly
Taxify)



Yousef Yousef
CEO of LG Sonic

Pathfinder (short)

The Pathfinder Pilot

Pathfinder



> supports researchers, innovators and innovative companies with ideas relating to future and emerging breakthrough technologies with a **grant**

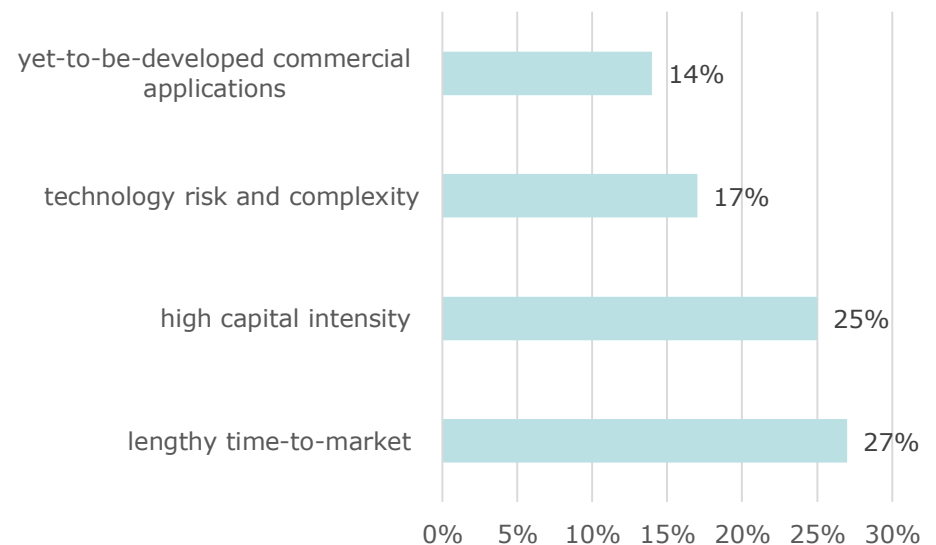


> Researcher, innovator or innovative company can apply for Accelerator funding **as it matures**

EIC Pathfinder Pilot Deep-tech 'made in Europe'

- **Needs a strong research base.**
- Deep-tech companies are **constantly pushing the technological frontier.**
- **Collaborations** are especially important since it lies at the crossroads of disciplines, fundamental research and industrial application.

Challenges for deep-tech startups



Source: BCG and Hello Tomorrow
Report: "From tech to deep tech"



EIC Pathfinder - FET Open Research and Innovation Actions

- FET Open (bottom-up): Radical vision, breakthrough technological target, ambitious interdisciplinary research
- FET Proactive (specific topics)
- Transition to Innovation Activities: Turn promising results into breakthrough and disruptive innovations, at the end of a typical FET-Open or FET Proactive project
- **Innovation Launchpad (deadline: 14 Oct 2020):**
Turning results **from FET-funded projects** into genuine societal or economic innovations, up to €0.1 million over 18 months, sole applicant or as part of a consortium, market analysis, business case, technology assessment, IPRs...

Accelerator - opportunities

The Accelerator Pilot

Accelerator



> provides innovators and innovative companies with **blended finance** (grants / grants and equity) of up to € **17.5 M**



> **bridges the financing gap** between late-stage innovation activities and market take-up

Accelerator Pilot

Building on SME Instrument

- **Individual SMEs with high-risk, high-growth potential** aimed at creating new markets
- **Substantial funding** for the last stages of development
- **Bottom-up:** all sectors, products, services, new business models
- **Grant- activities of TRL 6-8**
 - **€0.5 - 2.5 million** (funding rate 70% of total cost of project)
- **With equity option (blended finance)- activities TRL 6 and above**
 - Plus **up to €15 million**

From grant to blended finance

- **Grant:** Early-stage innovation for **development**
- **Equity:** Early-stage and mature innovation for **scale up**

Note:

- *If the proposal includes mature innovation activities, and consent has been given by the applicant, it will be changed into blended finance*
- *There is flexibility to obtain equity even if not requested at the moment of submission*

Accelerator Pilot - Step-by-step

Submission of Proposals



Remote Evaluation



Ranking of Proposals



Interview



Grant Agreement



In case of blended finance option

Due Diligence



In case of blended finance option

Equity Investment



Blended finance only

EIC Accelerator - Evaluation cut-offs

2020 7th October

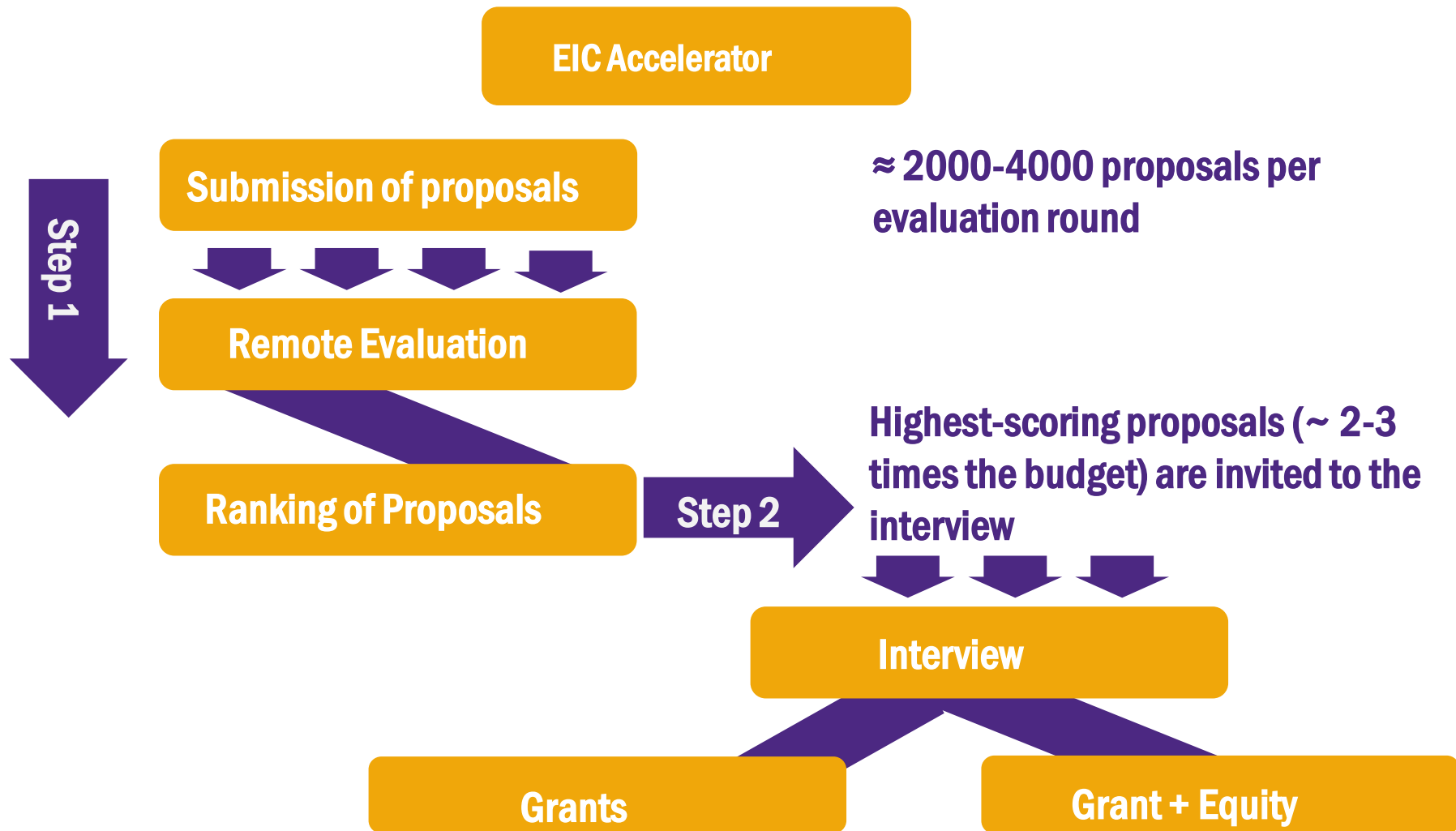
2021 April (TBC)

Accelerator Pilot Application

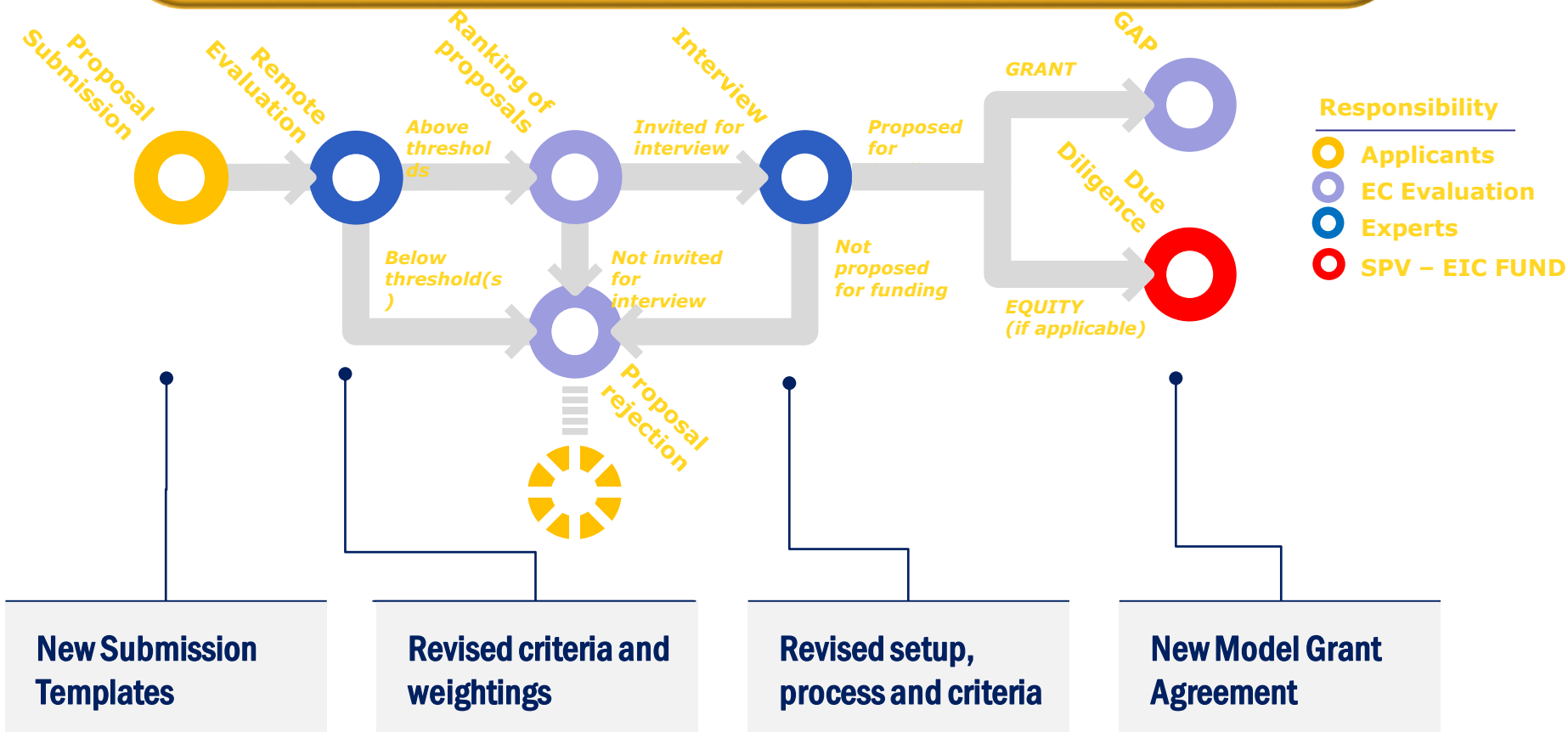
- *Single template for the **two options** (grant only and blended finance)*
- ***New application forms with additional financial elements***
- ***Pitch deck for the interview***
- *Applicants positively evaluated **for blended finance** may be asked for **additional information on their equity request during Step 2***

Accelerator Pilot Evaluation

- *By experts in technology, business and finance*
- *Two **steps**:*
 - **Step 1 (remote evaluation)**
 - **Step 2 (face-to-face interview)**
- *Three possible **outcomes**:*
 - **'Go' decision**
 - **'No Go' decision**
 - **'Change into blended finance' decision**



EIC Accelerator workflow



Accelerator Pilot Evaluation

- **award criteria**
 - **33% 'impact'** (potential to create new markets/market disruption, targeted users or customers, analysis of market conditions+growth rate, potential to scale up, commercialisation strategy, knowledge protection..)
 - **33% 'excellence'** (high risk potential innovation idea+beyond state of the art, high degree of novelty,TRL levels and steps to take innovation to market, risk and opportunities, tech/practical and economic feasibility of the innovation..)
 - **33% 'quality and efficiency of implementation'** (non bankability/leveraging of investments, tech&business experience of team, availability of required resources, timeframe+description of implementation..)
- if equity is requested → subject to due diligence by the EIC Fund
- **Time-to-inform**: 4 months from date of application
- **Time-to-grant**
 - Grant: 6 months from date of application
 - Equity: +6 months from date of application

Key new criteria

- **Detailed information about the TRL level** (or its equivalent for non-technological innovations) requested. Activities above TRL 8 can only be funded as equity through blended finance option. The grant component will only apply to the activities with a TRL (or its equivalent for non-technological innovation) of 6 to 8
- **Focus on 'bankability'** - Evidence that the applicant company cannot leverage *sufficient* investments from the market and/or, particularly for applicant companies requesting blended finance support, evidence that the applicant company is deemed 'non- bankable' by the market, in view of the activities to be developed.
- **Focus on 'scalability'** - Underpinned by a convincing business plan with a clear timeline, and complemented by a track-record that includes financial data including financial needs to ensure the company's success.

EIC Fund

Due Diligence and Equity Investment

- Goal of due diligence: define **tailor-made investment** fitting company and project needs – **structuring of financing**
- Focus on: governance & quality of the company's management, capital structure and financial planning, business strategy and competition
- European Commission takes the investment decision
- Up to €15 million
- Different forms of equity type instruments: shares, convertibles, other equity types
- Non-intrusive equity
- EIC Fund advisor: EIB Group



EIC Fund

Investment Strategy

- **Impact investment**, rather than maximizing return on the investment
- **Patient capital**, with a long average perspective on return on the investment (7-10 years) with a maximum of 15 years.
- **Founder's friendly** – preference to convertible notes if investing alone (postpones dilution)
- The exit strategy on a case-by-case basis: may include IPOs, management buyouts, secondary sales or liquidations.



Business Acceleration Services, Achievements

new



Overseas Trade
Fairs programme



Coaching



Corporate
partnership
programme

new



GHG neutrality
programme



Procurement
partnership
programme

new



EIC Scalator



EIC
Community



Investor
partnership
programme



Early stage
programme

Business Coaching

- 12 days of tailor-made coaching, challenging assumptions on business development
- Sharing their own entrepreneurial and investment experience
- Providing insights on shortcomings and guidance to improve
- Improving strategy, market entry, new options and leadership
- Coach' background: business innovation experience, independent, high-level, no consultants accepted

Hugo Macedo, Smart Separations:

"Wolfgang's questioning inspired us to change the strategy immensely. We are now engaging with potential partners from his network."



EIC Corporate Days (since 2017)

- ✓ 700+ EIC-SME participants
- ✓ 50+ Corporations involved
- ✓ 1600+ Corporate representatives
- ✓ 2100+ pre-arranged 1-to-1s
- ✓ 90% satisfaction rate





EIC Investor Days (since 2017)

- ✓ 22 pitching activities with investor Juries (e-pitches & live)
- ✓ > 150 EIC SMEs pitching
- ✓ > 85% satisfaction rate (100% for e-pitches)
- ✓ 65% identified follow-up discussions with investors

EIC Investor Matching

- ✓ via e-Matching platform





EIC Procurement Partnership Program (since 2020)

- ✓ **Webinars/Trainings:** 'Procurement skills for SMEs'
- ✓ **Exclusive Market Consultations:** bring together public procurers and suppliers from all over Europe to discuss procurement needs and solutions in close Partnerships with public procurer associations e.g. ICLEI, BME
- ✓ **e-Pitching to Procurers** – Solution Space for needs and ideas
- ✓ **Dedicated procurers group** in the EIC Community linking private & public procurers and SMEs

Heliox (phase 1&2) received order for 13MW Charge infrastructure in Amsterdam





The EIC Community Program (since 2018)



Access to EIC Community events (online & physical)

- **Community Trainings**, e.g. "Seeking Investors" or An HR toolkit for your team to scale up" or Innovation Training Workshop
- **Community Talks**, e.g. "Ask me anything about ..."
- **EIC Hackathon**
- **EIC Welcome Days**
- **EIC Summer School**

Access to learning
material, tutorials,
Videos, ...



The EIC Community Platform

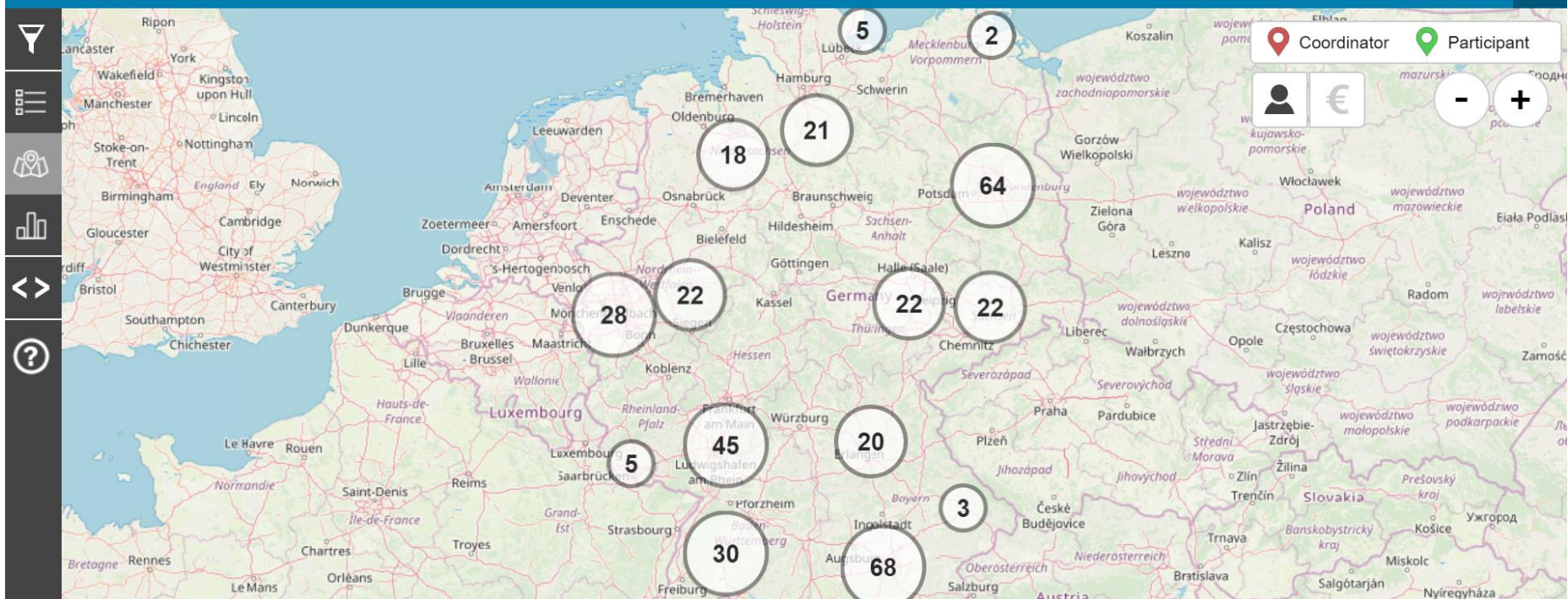
www.community-smei.easme-web.eu

- ✓ Application to EIC services and events
- ✓ Personal and company profile
- ✓ Stories & News & Groups
- ✓ Search engine
- ✓ Exclusive access to ScaleUp EU, our matching platform with investors
- ✓ Promote other interesting events to the EIC Community



What we have achieved so far...

EIC Accelerator data hub



<https://sme.easme-web.eu/>

EIC Accelerator in numbers



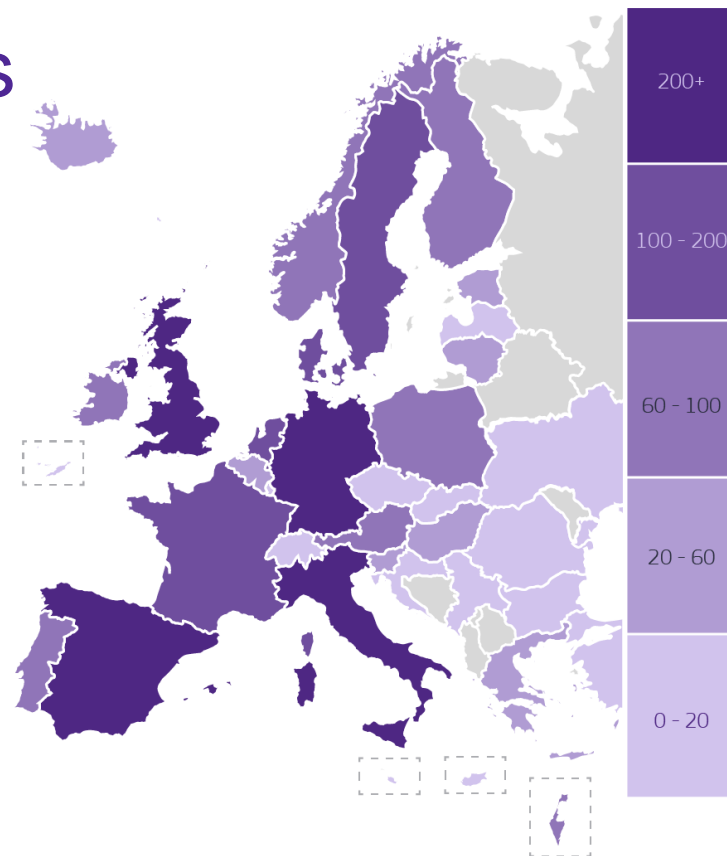
Approx. 5500+
beneficiaries



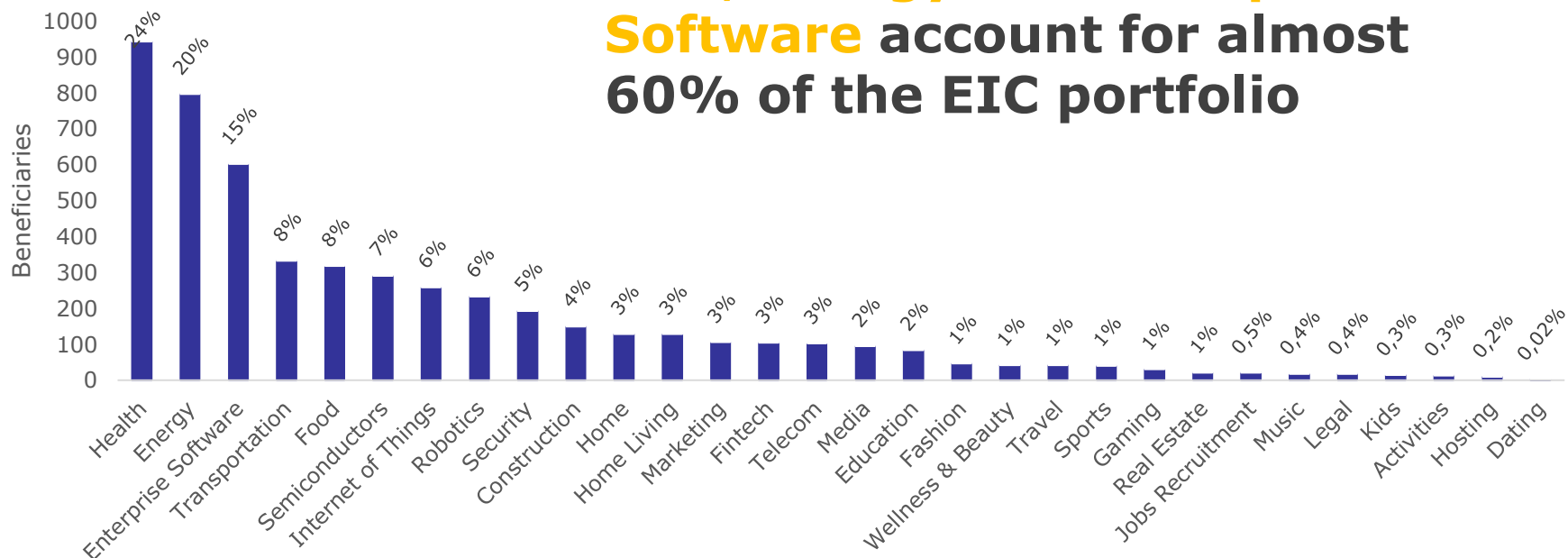
1.71 billion in funding



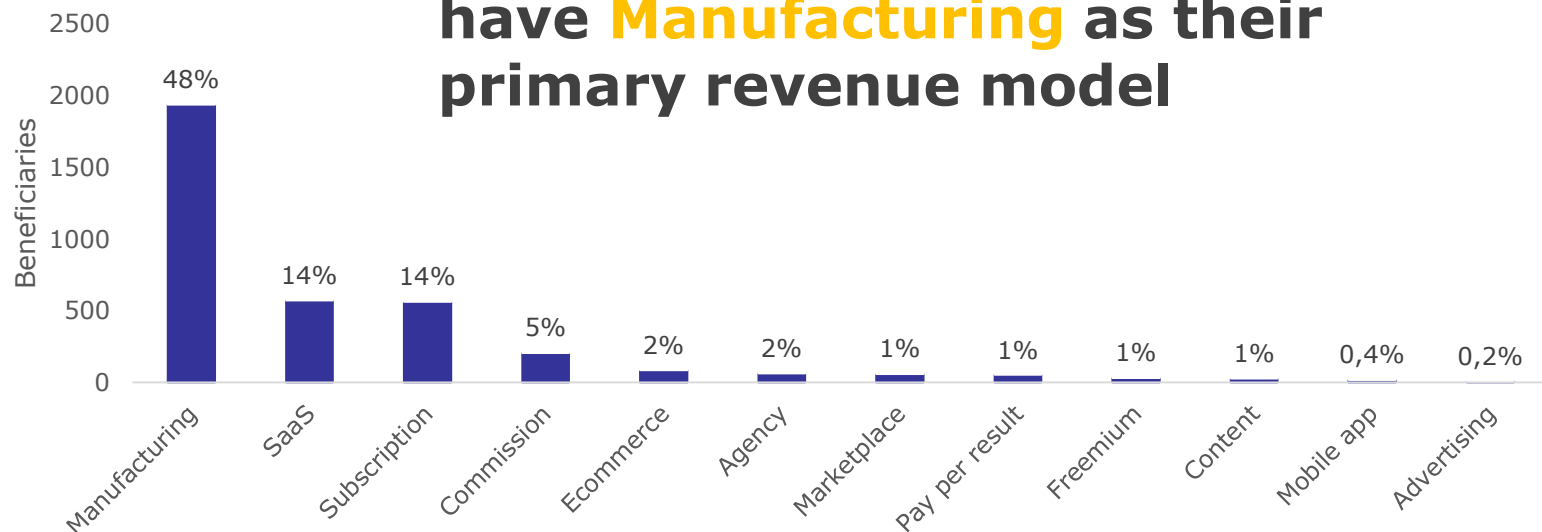
2-4 % success rate



Health, Energy and Enterprise Software account for almost 60% of the EIC portfolio



Almost half of the EIC beneficiaries have **Manufacturing** as their primary revenue model



EIC Portfolio Performance



37 acquisitions
since 2014
71% of acquirers
from Europe,
26% from
the United States
and 3% from Japan







17 IPOs
since 2014 (95% on
European stock
exchanges)



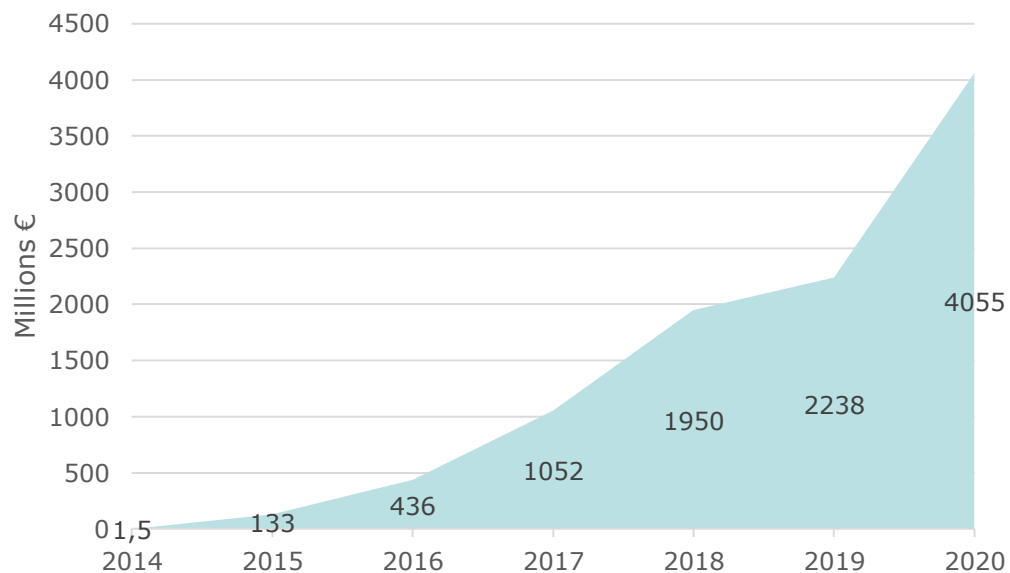
~5.3 billion
in follow-up
funding

Top valuations – nearly unicorns










Name	Valuation
 Arcam <small>A GE Additive Company</small>	636 €m
 RELEX	409 €m
inform	364-545 €m
 MeMed	255-382 €m
 immunovia	293 €m

Post-EIC private equity investments (Cumulative)

€4 billion of
private equity
investments, out of
which **€1.8**
billion in the
last 12 months



Top rounds

 RELEX	182 €m
ultrahaptics 	76 €m
 monese	67 €m
 MeMed	64 €m
arsanis 	55 €m
 KIOSKED	51 €m
 acast <small>Makes good stories great</small>	50 €m
 Arralis	50 €m
 NURITAS	46 €m
ICEYE	45 €m

Top post-ELC investors (by amount)

#	Investor	number of investments	amount invested
1	Technology Crossover Ventures	1	€181.8m
2	Atomico	4	€155.1m
3	Bpifrance	10	€127.8m
4	Cherry Ventures	3	€117.6m
5	Balderton Capital	2	€113.6m
6	TriplePoint Capital	2	€113.6m
7	Astanor Ventures	1	€90.9m
8	Notion Capital	4	€89.6m

**Some companies
we supported...**



Predictive risk management software for dangerous working environments

eVision (NL)

<https://www.evision-software.com/>

- ✓ Phase 2 in December 2014 2.4 €m
- ✓ Acquired in October 2018 by Wolters Kluwer (NL) for 127 €m



Cost-effective biofuels for the heavy transport sector

Steeper Energy (DK)

<https://steeperenergy.com/>

- ✓ Phase 2 in December 2014 1.8M €m
- ✓ 50.6M €m industrial plant partnership with Silva Green Fuel (NO/CH) in December 2017



Point-of-need medical tests for distinguishing between infection types

MeMed Diagnostics (IL)

<https://www.me-med.com/>


- ✓ Phase 2 in June 2015 2.9 €m
- ✓ 63 €m Series A in September 2018 to upscale production and advance market expansion



Horizon Europe - Outlook

Horizon Europe

Legal basis



Council of the
European Union

Brussels, 27 March 2019
(OR. en)

7942/19

Interinstitutional File:
2018/0224(COD)

RECH 194
COMPET 288
IND 109
MI 303
EDUC 180
TELECOM 151
ENER 202
ENV 352
REGIO 70
AGRI 174
TRANS 232
SAN 181
CADREFIN 177
CODEC 809
SUSTDEV 52

OUTCOME OF PROCEEDINGS

From: General Secretariat of the Council
To: Delegations

No. prev. doc.: 7472/19
No. Cion doc.: 9865/18 + ADD 1

Subject: Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing Horizon Europe - the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination

- Common understanding

1. On 7 June 2018, the Commission presented, based on Articles 173, 182, 183 and 188 TFEU, its proposal for a Regulation of the European Parliament and the Council establishing Horizon Europe - The Framework Programme for Research and Innovation, laying down its rules for participation and dissemination (2021-2027).


7942/19

SD/MI/CF/MG/lv

1

ECOMP.3.C. **EN**

<https://data.consilium.europa.eu/doc/document/ST-7942-2019-INIT/en/pdf>



Council of the
European Union

Brussels, 12 April 2019
(OR. en)

7911/1/19
REV 1

Interinstitutional File:
2018/0225(COD)

RECH 191
COMPET 286
IND 107
MI 299
EDUC 174
TELECOM 147
ENER 199
ENV 349
REGIO 69
AGRI 172
TRANS 228
SAN 179
CADREFIN 173
SUSTDEV 51

'I/A' ITEM NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee/Council

No. Cion doc.: 9870/19 + ADD 1

Subject: Proposal for a DECISION OF THE COUNCIL on establishing the specific programme implementing Horizon Europe - the Framework Programme for Research and Innovation

- Partial General Approach

I. INTRODUCTION

1. In June 2018, the Commission presented its proposal for the Horizon Europe package, including the proposal for a Decision on the Specific Programme implementing Horizon Europe¹.

7911/1/19 REV 1

MI/SD/CF/MG/lv

1

ECOMP.3.C. **EN**

<http://data.consilium.europa.eu/doc/document/ST-8550-2019-INIT/en/pdf>

“Full EIC” under Horizon Europe (2021-27)

- ✓ **EIC legally established**
- ✓ **Proposed budget of €10 billion**, majority of funding will be **bottom-up**, but also **targeted funding** for strategic technologies/ challenges
- ✓ **Dedicated governance with EIC President and independent Board** to set strategy, advise on separate EIC work programme, oversee implementation
- ✓ **Creation of “one stop shop” for implementation**
- ✓ **Fully designed accelerator** (mainly blended finance, also grant only & equity only) and **pathfinder** (including transition activities)
- ✓ **More flexible rules for selection and funding** (ability to stop or reorient, links to Invest EU) with increased role for **programme managers**
- ✓ **Fast track access** for Horizon grant holders (incl. ERC, EIT) and certified national schemes



eic **European INNOVATION Council**

EMPOWERING EUROPEAN INNOVATORS

"The future European Innovation Council will turn far more of Europe's world class science and start-ups to global technology leaders. I am glad that this first offer of combined grant and equity financing saw such a high demand from Europe's start-ups and SMEs. This confirms that the European Innovation Council is filling a gap in funding, and that it is right to set it up as a fully-fledged initiative under the next EU budget"

**Mariva Gabriel, Commissioner for
Innovation, Research, Culture, Education
and Youth, December 2019.**

Research and
Innovation





ec.europa.eu/research/eic

 #EUeic
 @EUeic

Research and
Innovation

