Backing visionary entrepreneurs

Business Acceleration Services
Novelties in 2022
Viorel Peca, Head of Unit, EIC Transition & BAS
EIC Business Acceleration Services (EIC BAS) in Horizon Europe

- Accelerate EIC innovations and growth of EIC companies
- Tailor-made service to meet needs of out clients
- All EIC beneficiaries: Accelerator, Pathfinder, Seal of excellence, applicants
- Activate partners all around Europe
EIC greatest asset

- 3% - 5% success rate
- 5700+ SMEs
- ~750 Pathfinder researchers
- 3.8 billion in funding, 0.5 bn in equity
  (1600 with funding above EUR 0.5 million,
  5.3 bn in post-EIC investments)
- All sectors
1. Access to advise

→ Specific support for

- Coaching
- Expertise and Training
- Women innovators
- Reducing GHG emissions
2. Access to business partners

- Corporates
- Investors
- Distributors
- Innovation procurers
- Clients & more

Matching events
Overseas Trade Fairs
EIC ScalingUp
3. Ecosystem Partnership

- EIT KICs
- Incubators
- Accelerators
- Innovation Agencies
- Associations & more
- Stock exchanges
- EEN
- IPR Helpdesk
- EUIPO

EIC Community
(Co)organization of EIC events
Data mining-mapping
(Co)funding
1. Access to advise

- Coaching
- Expertise and Training (Coming soon)
- Reducing GHG emissions
- Women innovators

→ Specific support for
Coaching

- **Pathfinder & Transition** researchers
  - discover innovation opportunities and provide insight in their entrepreneurship potential.
  - to get to know the industry and to create a value proposition.

- **Accelerator SMEs, Start-ups, Spin-offs and Scale-ups**
  - improve the business plan, the strategy implementation and faster market entry.

- **Accelerator applicants and Seal-of-Excellence**
  - improve the value proposition, business plan and investor pitch.
EIC Women Leadership Programme

ANNUAL SKILLS & NETWORKING OPPORTUNITIES ENHANCEMENT PROGRAMME

- Participatory training sessions
- Networking events
- Mentorship and a coaching scheme

Eligibility

Women from EIC-funded projects (Accelerator, Transition, Pathfinder and their Horizon 2020 legacy instruments):

- Women in business already in **management positions**, but want to strengthen their skills or expand their network;
- Women within **established companies** aspiring to take over leadership positions;
- Women **researchers** involved in research projects aspiring to lead the transition of their research into business.

Participants: 50  
Duration: 6 months
EIC Greenhouse-gas (GHG) programme

- **GHG tool & expert advice “a la carte”**
- **Peer-to-peer:**
  - Connecting complementary EIC beneficiaries to design new or further develop existing solution
- **Co-creation with business partners**
  - Corporates, regions, industry associations
  - EIC-funded companies tackle challenges set by business partners
- **EIC GHG Summit:**
  High level summit including
  - Success cases from co-creation with partners
  - Pitching of co-created GHG reduction solutions.

<table>
<thead>
<tr>
<th>Activities 2022</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>GHG Webinar on Biogas</td>
<td>23 Feb 2022</td>
</tr>
<tr>
<td>Co-creation with Electrolux</td>
<td>23-24 Mar 2022</td>
</tr>
<tr>
<td>Co-creation with Trelleborg</td>
<td>23-24 Mar 2022</td>
</tr>
<tr>
<td>Co-creation with 2 Regions</td>
<td>TBD 2022</td>
</tr>
<tr>
<td>Co-creation with 2 Industrial organisation</td>
<td>TBD 2022</td>
</tr>
<tr>
<td>Co-creation with Holcim</td>
<td>8-9 Jun 2022</td>
</tr>
<tr>
<td>GHG Summit</td>
<td>22-24 Nov 2022</td>
</tr>
</tbody>
</table>
BAS Tech to Market activities - Training

Innovation and entrepreneurship Trainings for researchers/engineers

• Innovation Training Workshops – 2 days / 4 modules – usually 1 training per month
• EIC Bootcamp: for a team identified to pursue an innovation originated in a Pathfinder / Transition (ex FET) project. Next in May 2022
2. Access to business partners

- Corporates
- Investors
- Distributors
- Innovation procurers
- Clients & more

Matching events
Overseas Trade Fairs
EIC Scaling Up
EIC Corporate Partnership Programme

• 52 “Corporate Days”
• 1236 EIC-SMEs participations
• +100 Corporations involved
• +2100 Corporate representatives
• +2400 pre-arranged 1-to-1s
• 92% of satisfaction by SMEs
• 100% of corporates want to repeat
• 26% of “success” (deals concluded within 6 months)
# EIC Corporate Partnership Programme

## Next Corporate Activities

<table>
<thead>
<tr>
<th>EIC CD – AgroTech Pilot</th>
<th>CaixaBank - AgroBank</th>
<th>March 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>EIC CD</td>
<td>Siemens Energy</td>
<td>7th April 2022</td>
</tr>
<tr>
<td>EIC MultiCorp</td>
<td>Chemistry4EU - CEFIC, BASF, Evonik, Solvay, P&amp;G...</td>
<td>27th April 2022</td>
</tr>
<tr>
<td>EIC CD</td>
<td>Ikea</td>
<td>2nd Q 2022</td>
</tr>
<tr>
<td>EIC MultiCorp</td>
<td>MedTechEurope (NovoNordisk, GSK, Medtronic, Philips, Roche...)</td>
<td>3rd Q 2022</td>
</tr>
<tr>
<td>EIC CD</td>
<td>Safran</td>
<td>3rd Q 2022</td>
</tr>
<tr>
<td>EIC CD</td>
<td>EDP</td>
<td>TBD</td>
</tr>
<tr>
<td>EIC Multicorp</td>
<td>Telecomunications – KPN/Telefonica</td>
<td>TBD</td>
</tr>
</tbody>
</table>

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*Image: EIC Corporate Day with Neste, 23-24 November 2021*
Investor Partnership Programme

2021 HIGHLIGHTS

- 10 EIC INVESTORS EVENTS
- MORE THAN 200 1-TO-1 MEETINGS
- MORE THAN 120 BUSINESS CONTACTS
- MORE THAN 100 EIC BENEFICIARIES joined the EIC Investors events
- MORE THAN 250 BUSINESS PARTNERS

82% SATISFACTION RATE registered among the participants

Some of our finance partners

[List of finance partners logos and names]
The EIC Overseas Trade Fairs (OTF) programme organises the participation of selected EIC beneficiaries to 15 major international trade fairs.

300 EIC Beneficiaries (SMEs/Startups/Scaleups)
Up to 20 EIC beneficiaries are selected for each fair.

15 International Trade Fairs
Major global exhibitions with a sectorial or cross-sectorial focus, in line with the EIC.

4 Extra-EU Markets
China, South-East Asia, UAE and USA.
EIC Overseas Trade Fairs 2.0 programme

• Based on the success of OTF 1.0
• 20 EIC beneficiaries selected after open application.
• Focus on main markets, topics and most impactful fairs.
• Focus on preparation: Specific tailor-made training and pre-arranged business meeting.
• Promotion activities. “EU Night”.
• Logistics.
• Helpdesk and continuous personal guidance.
• Drafting of the showcase/brochure.
## EIC Overseas Trade Fairs programme

### Next Confirmed Activities OTF 2.0

<table>
<thead>
<tr>
<th>Event</th>
<th>Category</th>
<th>Location</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>BIO</td>
<td>Biotech &amp; Pharma</td>
<td>San Diego, US</td>
<td>June 2022</td>
</tr>
<tr>
<td>FIME</td>
<td>Health &amp; Medical care</td>
<td>Orlando, US</td>
<td>July 2022</td>
</tr>
<tr>
<td>GITEX</td>
<td>ICT</td>
<td>Dubai, UAE</td>
<td>October 2022</td>
</tr>
<tr>
<td>Asia Water</td>
<td>Water Industry</td>
<td>Kuala Lumpur, Malaysia</td>
<td>December 2022</td>
</tr>
<tr>
<td>CES</td>
<td>New technologies</td>
<td>Las Vegas, US</td>
<td>January 2023</td>
</tr>
<tr>
<td>ArabHealth</td>
<td>Health &amp; Medical care</td>
<td>Dubai, UAE</td>
<td>January 2023</td>
</tr>
<tr>
<td>BIO</td>
<td>Biotech &amp; Pharma</td>
<td>Boston, US</td>
<td>2023</td>
</tr>
<tr>
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<tr>
<td>GITEX</td>
<td>ICT</td>
<td>Dubai, UAE</td>
<td>2023</td>
</tr>
</tbody>
</table>

4 more Trade Fairs to be confirmed soon
Innovation Procurement Programme IPP

EIC Innovation Procurement Programme: Stats of 2021

- 6 Events
- 70 Attending EIC Beneficiaries
- 109 Attending Business Partners
- 83% Satisfaction Rate
- 42 1-to-1 meetings
- 57 Business Contacts
In 2022

**As public & private procurer:**

- Have the possibility to *co-create with innovative start-ups*.
- Receive *legal, IPR and innovation* support expertise.
- Organise *market consultations* and your *needs assessments*.

**As EIC beneficiary:**

- Receive expertise and support to screen overseas public tender opportunities.
- Receive support to bid for overseas public tender opportunities.
## Innovation Procurement Programme IPP

### Forthcoming Events

<table>
<thead>
<tr>
<th>Activity</th>
<th>Date, place</th>
</tr>
</thead>
<tbody>
<tr>
<td>1&lt;sup&gt;st&lt;/sup&gt; EPitching on Sustainability in Healthcare &amp; Biotech with EHPPA</td>
<td>March 2022, online</td>
</tr>
<tr>
<td>2&lt;sup&gt;nd&lt;/sup&gt; Pitching on first rescuers European organisation, with NO-FEAR project</td>
<td>April 2022, physical in Madrid</td>
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<tr>
<td>2&lt;sup&gt;nd&lt;/sup&gt; EPitching on Digitalisation in Healthcare &amp; Biotech with EHPPA</td>
<td>May 2022, online</td>
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<tr>
<td>Clouding solutions, with EOSC</td>
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</tr>
<tr>
<td>Surface material &amp; technologies (REACH legislation) with RUAG</td>
<td>June 2022, online</td>
</tr>
<tr>
<td>3&lt;sup&gt;rd&lt;/sup&gt; Pitching on Sustainability &amp; Digitalisation in Healthcare &amp; Biotech with EHPPA</td>
<td>September 2022, physical in Brussels</td>
</tr>
<tr>
<td>Activity</td>
<td>Date, place</td>
</tr>
<tr>
<td>----------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>1st EPitching on Sustainability in Healthcare &amp; Biotech with EHPPA</td>
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<tr>
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</tbody>
</table>
EIC ScalingUp

• EIC has supported so far 4 unicorns and +100 centaurs.
• To reinforce these developments, the EIC will provide a support action for a ScaleUp Europe initiative “EIC ScalingUp” to cover:
  • Identification of 30 potential deep-tech unicorns from EIC portfolio.
  • Connecting those 30 companies with strategic investors & partners.
  • Powering Series B/C investment.
  • Networking and best practice between Member State initiatives and contact points who provide administrative support to scale up companies.
3. Ecosystem Partnership

EIT KICs
Associations & more
Stock exchanges
Incubators
Accelerators
Innovation Agencies

EEN
IPR Helpdesk
EUIPO

EIC Community
(Co)organization of EIC events
Data mining-mapping
(Co)funding
Ecosystem partners and peers

**Objective:** to expand EIC’s business acceleration services offer by partnering with other existing acceleration services providers, public or private.

**Signed 30-50 individual** partnerships with ecosystem partners with the main aim to provide specialised services to EIC beneficiaries.

- **Standalone Services:** such as workshops or matching processes focussing on a specific topic currently not covered by the EIC BAS.
- **Individualized Services:** specific services that are critical to EIC-beneficiaries in particular situations, such as usage of specific laboratory equipment or technological due-diligence.
- **Program Services:** Uptake in accelerators, incubators, or venture builders.
Support to the EIC Accelerator by the Enterprise Europe Network

- **Budget and duration:** 7.3 million over 3 years (2022-2024).
- **Cut-off deadline** - 6th January 2022 - 2 eligible proposals received - currently under evaluation.

- **ACTION 1:** Increase the number of quality proposals to the EIC calls from widening countries and women entrepreneurs.
- **ACTION 2:** Assist Seal of Excellence (SoE) holders in accessing public or private funding in all MSs.
- **ACTION 3:** Exchange of best practice in the EEN.
- General coordination by the **Coordination Office**.
- The proposal needs to include consortia of maximum 5 members.
EIC Community Platform

https://eic.eismea.eu/community

Exclusive, virtual meeting place, where EIC funded projects and companies can connect with their peers and leverage potential business partnerships complemented by Community activities.

2021

✓ Visits Overview: 93,243 visits
✓ Organisation: 6,597
✓ Members: 13,164
✓ New features: EIC Challenge Platform, EIC GHG Tool
✓ 281 new articles
✓ Wrote about 150 EIC beneficiaries from 22 countries

2022

☐ New EIC Community Platform – to be launched soon
☐ Improve and promote more the EIC Challenge Platform
☐ Launch new programmes: EIC WLP Cohort 2, Ecosystem, EIC - EIT
EIC BAS achievements

- +50 Activities per year
- +1500 innovators served
- 1k coaching sessions per year
- 20% Business follow-ups and deals
- +2000 Corporate and investors involved
- 89% average satisfaction rate
- Global presence at trade fairs
- 3000 1:1 meetings with business partners
Back ing visionary entrepreneurs

Business Acceleration Services
Q&A on BAS
Back ing visionary entrepreneurs

Lunch break
Back up visionary entrepreneurs

EIC Accelerator Overview and novelties 2022

Andreas Lymberis, EISMEA 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.
What can you apply for?

EIC Blended Finance

- **Equity**
  - 0.5 to €15 million

- **Grant**
  - Up to €2.5 million

Also

- Grant only
- With other finance
- Grant first
- With equity follow up
Grant and investment
If you need support for development (TRL 5/6 → 8), deployment and scale-up (TRL 9).

Grant first
If your innovation still requires significant work to validate and demonstrate in relevant environments to assess its commercial potential.

Grant only
If you can prove that you have sufficient financial means for deployment and scale-up (TRL 9).

Investment only
If you are looking to fill the funding gap for rapid scale-up of your high-risk innovation and you don’t need a grant.
The evaluation step by step

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

2. We help you to prepare your business plan and draft a proposal with AI tool and coaching
   - You submit your full proposal

3. Your full proposal is assessed by remote evaluators

4. You pitch your innovation in front of EIC Jury Members
   - If selected, you sign the Grant Agreement

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
New elements introduced in 2022

- **EIC Accelerator**
  - Companies can apply for **investments above €15m** subject to conditions and budget limits
  - More **frequent cut-off dates** for full applications (March, June, Oct).
  - **Improved resubmissions policy**: applicants can "rebut" evaluators comments; evaluators must take account of improvements (and rebuttals)
  - **Priority to interview women-led companies**: expanded to include companies with female CTO, CSO (as well as CEO)
  - **Seal of Excellence simplified**: non-funded applicants from jury interviews awarded a Seal (no need for jury decisions)
  - **Fast track implemented for EIT**: to submit companies directly to full application stage
June 16/Oct 6 Cut-off Companies by Sector

- Health: 21
- Engineering and technology: 11
- Information and Communication Technology (ICT): 8
- Biotechnology: 6
- Energy: 4
- Agriculture / Rural Development / Fisheries: 3
- Food and beverages: 3
- Transport & Mobility: 3
- Space: 2
- Public sector innovation: 1
- Construction, Civil engineering, Infrastructures: 1
- Consumer products and services: 1
- Earth and related environmental sciences: 1

Sectors

- Health: 34
- Engineering and technology: 17
- Information and Communication Technology (ICT): 13
- Earth and related environmental sciences: 10
- Biotechnology: 8
- Energy: 4
- Space: 3
- Agriculture / Rural Development / Fisheries: 3
- Food and beverages: 2
- Consumer products and services: 2
- Public sector innovation: 1
- Transport & Mobility: 1
- Education and Culture: 1
EIC Accelerator in 2022

• Open Accelerator

• 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$_2$ emissions; more inclusive and steady acceleration towards climate neutrality by 2050
Backing visionary entrepreneurs

EIC Accelerator
Q&A Overview and novelties 2022
Backing visionary entrepreneurs

EIC Accelerator
Application and evaluation
Catherine Eginard/Jeremy Delattre, EISMEA Operational coordination support
Backling visionary entrepreneurs

The European Innovation Council
EIC Accelerator – Overview of 2021
Short & Full proposals
Short applications / step 1

- Overview of Short proposals:

Submission, Evaluation and Resubmission in 2021:

<table>
<thead>
<tr>
<th></th>
<th>Submitted</th>
<th>Evaluated</th>
<th>Resubmitted</th>
<th>Withdrawn</th>
<th>GO</th>
<th>NO_GO</th>
<th>TTI</th>
<th>Success rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
<td>1139</td>
<td>1053</td>
<td>0</td>
<td>86</td>
<td>728</td>
<td>325</td>
<td>31</td>
<td>69%</td>
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<tr>
<td>May</td>
<td>799</td>
<td>731</td>
<td>0</td>
<td>68</td>
<td>389</td>
<td>342</td>
<td>27</td>
<td>53%</td>
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<tr>
<td>June</td>
<td>693</td>
<td>646</td>
<td>15</td>
<td>47</td>
<td>288</td>
<td>358</td>
<td>16</td>
<td>45%</td>
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<tr>
<td>July</td>
<td>585</td>
<td>565</td>
<td>57</td>
<td>19</td>
<td>410</td>
<td>155</td>
<td>16</td>
<td>73%</td>
</tr>
<tr>
<td>August</td>
<td>768</td>
<td>743</td>
<td>71</td>
<td>25</td>
<td>507</td>
<td>236</td>
<td>21</td>
<td>68%</td>
</tr>
<tr>
<td>September</td>
<td>418</td>
<td>409</td>
<td>50</td>
<td>9</td>
<td>242</td>
<td>167</td>
<td>19</td>
<td>59%</td>
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<tr>
<td>October</td>
<td>578</td>
<td>544</td>
<td>248</td>
<td>34</td>
<td>193</td>
<td>351</td>
<td>23</td>
<td>35%</td>
</tr>
<tr>
<td>November</td>
<td>222</td>
<td>215</td>
<td>39</td>
<td>7</td>
<td>147</td>
<td>68</td>
<td>25</td>
<td>68%</td>
</tr>
<tr>
<td>December</td>
<td>169</td>
<td>169</td>
<td>17</td>
<td>0</td>
<td>114</td>
<td>55</td>
<td>21</td>
<td>67%</td>
</tr>
</tbody>
</table>
Short applications / step 1

Diagnostics Overview

- 38% conversion rate of creation to proposal submission overall

* based on creation date, figures may change over time
Full applications and funded proposals

<table>
<thead>
<tr>
<th></th>
<th>Jun-21</th>
<th>Oct-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Submitted</td>
<td>805</td>
<td>1098</td>
</tr>
<tr>
<td>Ineligible</td>
<td>70</td>
<td>0</td>
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<tr>
<td>GO</td>
<td>132</td>
<td>211</td>
</tr>
<tr>
<td>NO-GO</td>
<td>603</td>
<td>898</td>
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<tr>
<td>Funded</td>
<td>65</td>
<td>99</td>
</tr>
</tbody>
</table>

Axis Title
Backing visionary entrepreneurs

The European Innovation Council
EIC Accelerator – Main changes of 2022
EIC programmes – Cut-off dates

- **Accelerator – Open and Challenges**
  - 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

- **Pathfinder – Open and Challenges**
  - Open: May 4
  - Challenges: October 19

- **Transition – Open and Challenges**
  - Cut-off 1: May 4     interview week: 11/07 to 15/07
  - Cut-off 2: September 28 interview week: 05/12 to 09/12
EIC Accelerator: Seal of Excellence

- Seal of Excellence new approach: all applicants at interview phase to be awarded SoE if not funded – as long as give consent – up to 189 from 2021 calls (rule applied retroactively to June cut-off applicants)

- Text improved:
  - In exceptional cases if jury recommends no SoE, this must be justified
  - Further clarity regarding consent (sharing information with alternative funding bodies in MSs/ACs)

- Seal of Excellence for companies from June and October 2021 cut-offs to be issued very soon after 2022 WP adoption
EIC Accelerator – Recent and on-going developments

• Resubmissions & rebuttal:
  - Applicants having being rejected once at full application stage may rebut the comments provided by the experts in the initial proposal when resubmitting an improved proposal.
  
  - WP text reinforced that the new experts assigned to resubmitted proposals will be requested explicitly to assess improvements since first evaluation (consistency) and take account of rebuttal comments on feedback from first evaluation (briefings and guidance updated accordingly).
  
  - Important to maintain fully the principle of excellence and require GOs on all criteria to proceed to jury interviews (experience from 2021 shows that this leads to a manageable number of interviews with approx. 50% success rate at interview).
EIC Accelerator – Recent and on-going developments

**STEP 2**
- **Full proposal**: NO GO
  - Resubmission at Step 2 with rebuttal comment box *
- **Full proposal** *
  - GO

**INTERVIEWS**
- **Interview**: GO
  - NO GO
  - 1/ Resubmission at Step 2 with rebuttal comment box *
  - OR
  - 2/ offer to submit a new pitch deck if « Direct resubmission » recommendation by jury members

---

**On the rebuttal**: *
- Additional comment boxes available in the Business Plan
- Visible on top of the Business Plan for remote evaluators

**Submission Additional Questions** *

Please summarize the main changes to your step 2 full proposal compared to its first rejected version, if any

Please provide your rebuttal, if any, to experts comments on your first rejected step 2 full proposal

*On the rebuttal*: 
- Additional comment boxes available in the Business Plan
- Visible on top of the Business Plan for remote evaluators
EIC Accelerator – Recent and on-going developments

• New AI functionalities for remote experts:
  - Heat map: Team skills/Technologies
EIC Accelerator – Recent and on-going developments

- New AI functionalities for remote experts:
  - Markets/Submarkets linked to the project
EIC Accelerator – Recent and on-going developments

• New AI functionalities for remote experts:
  - Closest patents and scientific publications
EIC Accelerator – Recent and on-going developments

- Self declaration updated for Short proposals.

- On-going discussion to make the consent box of the SoE more explicit.

- Gender of team members will be added.

- Blocking submission of full application after 12 months starting from the date of the last submission of the full application.

- Update of the ESR options for Jury members (better guidance regarding recommended amounts).
EIC Accelerator – Recent and on-going developments

• Update of the Evaluation criteria for Short and Full proposals.
  - **Short proposals** submitted prior to the official publication of the EIC Work Programme 2022 will continue to be assessed by evaluators under the evaluation criteria of 2021. This does not prevent their progression to next step of the evaluation (i.e. full proposal step).
    *The submission of short proposals will be blocked for applicants for about 4 days to enable remote experts to finish their on-going evaluations and not mixed criteria between the 2 WP.*

  - Applicants who have submitted **full proposals** since the last cut-off (06/10/2021, 17:00:00 Brussels Time) until the date of publication of the EIC Work Programme 2022 are required to resubmit their proposal in order to be considered as part of the upcoming cut off. Applicants who fall under this category will be contacted by the EIC Accelerator Team to explain the specific action to take.
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EIC Accelerator
Q&A Application and Evaluation
Back to visionary entrepreneurs

EIC Accelerator
Grant funding
Cristina Boto, EISMEA, EIC Accelerator
Negotiation

- **Objective**: to agree on a Business Plan

- following the recommendations of the jury members. Opinions from Programme Managers or other actors may have an impact on the negotiation

- aligning the application information to the data needed to sign the contract through the EC Corporate IT tools. The negotiation process is supported by the **EIC Platform**
Negotiation

- **Currently the negotiations concerns only the grant part of the action**
- Other checks are conducted at the same time: legal entity, ethics and security review
- SME status checked at the time of negotiation. Companies are obliged to inform EISMEA on any change
- Negotiations on the grant component focused on the implementation plan: Work packages, deliverables, milestones and costs foreseen.
Project management – Milestone based approach

• Milestones are the cornerstone of the monitoring of the project
• Importance of having well defined milestones to allow a proper assessment of the progress
• Linked to TRL achievement but also possibility to add different ones

• **Commercialisation milestone** (for grant only and grant first):
  - At least 6 months before end of the project that allows to assess deployment perspectives and capabilities
  - In case a project is moved from blended finance to grant only during evaluation, a commercialisation milestone will be added during negotiation

• **Duration of the grant**: adapted to TRL 8 achievement
Project monitoring – progress meetings

• Introduced as a novelty during the H2020 Pilot to reduce administrative burden for the companies

• **Objective**: to assess the progress of the work plan, the completion of the deliverables and the achievement of milestones

• **Timing**: Will be conducting regularly during the project and at least one at mid-term and another 3 months before the end of the project

• For the progress meeting linked to the release of the 2nd pre-financing:
  - No reports or cost declarations – only a statement of the use of the previous pre-financing
  - To submit the request within 15 days (although legal time 60 days)
Project monitoring – final report

• At the end of the project: 60 days to submit final report:
  - technical report using standard HE Reporting template
  - financial report: financial statements, UoR, CFS

• Payments done through pre-financings: (50% + 40%) and payment of the balance at the end of the project. Exceptions on duly justified cases allowed (ex. Based on expenditure plan)
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Q&A Grant Funding
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EIC Accelerator
Equity Funding
Stéphane Ouaki, Head of Department E, EIC
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 today

• The EIC Fund is a venture capital fund: Reserved Alternative Investment Fund (RAIF), a flexible instrument with possibility for multiple compartments (H2020, Horizon Europe...).

• The European Commission is the shareholder.

• It was 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 141 deals (EUR 637 million) and signed 75 investment agreements (EUR 375 million).
Some lessons learned

• Approximately **70% of the companies selected require bespoke quasi-equity** funding which aims to support the proposed investment projects while at the same time extending the window of opportunity to seek and find potential private investors.

• For the remaining 30% of the companies, **co-investments can be executed at the terms defined by various types of private investors** (corporates, funds, private offices etc.)

• Co-investment interest in the EIC portfolio companies is **not limited to European VCs** but comes from a variety of players such as corporates, NPIs, institutional investors and international investors.

• In order for the EIC to deliver its policy objectives (impact, additionality, market leverage) and considering the number and variety of companies, geographies and sectors, the investment approach needs good level of **resources, flexibility and discretionary decision making.**
Novelties: background

- The Commission needs to adapt the structure and management of the EIC Fund
  - to the Horizon Europe regulation (indirect management);
  - to draw the lessons from the pilot phase (2019-2020);
  - to make the Fund sustainable for the number and amounts of investments expected in the period 2021-27.
- The EIC will make use of indirect management with EIC Investment Partners managing the investment component of EIC Accelerator blended finance.
- For a Transition period in 2022, the only EIC Investment Partner will be the EIC Fund. Following the Transition phase, EIC Investment Partners may include others (EIB Group, private VCs, national promotional banks, etc)
Transition phase

- Applicable to **2021 and 2022 cut-offs**.
- The European Commission still “investor of record” – under “direct management” – but will appoint an **external alternative investment fund manager (AIFM)** to manage the EIC Fund.
  - The AIFM **will make decisions** on investments, their structure and terms, follow-on investments and divestments, having regard to the EIC investment guidelines and to the recommendations of the EIB as investment adviser.
- The **EIB** will continue supporting the EIC Fund as investment adviser:
  - performing an **initial assessment** to determine the investment scenario (**bucket**), following the selection process managed by EISMEA;
  - **supporting the due diligence process and the monitoring and management** of the EIC portfolio of invested companies;
- **Legacy operations** under Horizon 2020 EIC Pilot would remain within the **EIC Fund** under a **separate compartment** handled in indirect management.
Implications

- **No impact on funding offered** by the EIC or 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 AIFM will make decisions**.
- **After 2022**, the EIC may work with other Investment Partners **in addition to the EIC Fund**.
- **EISMEA will continue**
  - conducting the **evaluation and selection** of proposals;
  - implementing the **grant** component;
  - performing **technological due diligence**;
  - ensuring **coordination** between grant and equity components, including liaising with all the Investment Partners;
  - ensuring a **single award decision**;
  - operating a **platform to animate the pipeline and find co-investors**.
The selection process would follow the approach currently adopted for the EIC Accelerator program. Proposals pre-approved for equity-only or blended finance would be transferred to the EIB for further due diligence.

- EIB would carry out and coordinate due diligence on the candidates to confirm basic principles of investability, accuracy of representations, market potential, capacity, KYC (AD) etc.
- EIB will present an investment summary/proposal to the EIC Fund.

- The selected private fund will be entrusted with DD, structuring and closing in line with the Fund’s investment guidelines.
- EIB will be entrusted with DD, structuring and closing in line with the Fund’s investment guidelines (final AIFM approval required).

- EIB will be entrusted with monitoring and investment management of the transactions in line with the Fund’s investment guidelines.

EISMEA: grant preparation, ethics/security screening, technological due diligence, co-investment platform, BAS.
Next steps: revision of the EIC Investment Guidelines

- Main proposed changes consider:
  - the **new set-up**;
  - introduction of **more flexibility** in instruments & conditions (for EIC Fund);
    - in **use of quasi-equity**;
    - in **maturity** of convertible instruments;
    - **matching** requirement **only** applies to **equity**;
    - in **definition of “qualified investor”** (definition is broadened).
- A revised draft was presented to the Programme Committee on 4 February 2022 and will be re-discussed on 18 February (indicative).
- Aim is to publish the revised Investment Guidelines by early March.
Other novelties

• A more than EUR 15 million investment request is allowed in duly justified cases for:
  - proposals in technologies that are strategic for the Union;
  - where there is a global competition; and
  - where the funding needs significantly exceed what is available in Europe

• In a pilot phase in 2022, projects with a more than EUR 15 million investment request
  - cannot represent more than 15% of the budget over the year and
  - will be submitted to the EIC / EIE Programme Committee for opinion.
Tentative timeline

- **Phase 1: transition phase**
  - March/April 2022
  - restructuring of EIC Fund with the Commission still “investor of record” (direct management);
  - selection of an external AIFM for the EIC Fund;
  - extension of EIB advisory agreement;
  - development of new investment guidelines;
  - adjustment of governance;
  - requires Commission Decision (in preparation);
  - Until December 2022
    - following the conclusion of bilateral agreements and appropriate approvals, EIB would take over the equity transactions proposed by the EIC under the 1st and 2nd cut-off under Horizon Europe;
    - EIB continues to manage the transactions under the pilot program.
Tentative timeline

- **Phase 2: development of two-legged structure (April-December 2022)**
  - EIB continues to take over the EIC equity transactions from further cut-offs during 2022.
  - Further market testing as assessment of the feasibility of the two-leg indirect implementation approach.
  - Structuring and detailed design of the new implementation and appropriate approvals in both respective institutions.

- **Phase 3: Operations 2023 – 2027 under new two-legged structure (indicative)**
  - Implementation of the new structure with two complementary indirect approaches for EIC investment execution.
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EIC Pilot
Overall state of play
EIC Fund – state of play of the pilot

• Total number of companies selected: 159
• Total number of companies discussed by the EIC Fund Board: 157
  - Approved for investment by the Board: 141
• 139 term-sheets issued to companies
• 130 term-sheets signed and returned by companies
  - Rejected: 14
  - Pending discussion: 2
  - Postponed/adjourned: 2
• Total investment approved: EUR 637 million
• Signed investment agreements: 75
• Disbursed: EUR 180.8 million
Approved deals by total investment amount per company

Number of approved deals (141) by total approved investment amount (EUR m) per company

- Investment agreement signed
- Pending signature
Signed investment agreements

- 75 signed investment agreements

*Convertible loans and redeemable bonds
Equity investment agreements signed

- **Average investment** ≈ EUR 4 million
- **Average round size** ≈ EUR 18 million
Equity investment agreements signed

- **Average EIC ownership** (fully diluted) ≈ 7.62%
  - maximum 19.11%,
  - minimum 0.59%
- **Leverage effect** ≈ 2.6-2.8
  - Total EIC investment (in equity deals) ≈ EUR 138 million
  - Total co-investments (in equity deals) ≈ EUR 523 million
- **Amount reserved for follow-on investments (tranches)** ≈ EUR 58 million
Convertible loans signed

- 41 convertible loans/redeemable bonds signed
- Total investment = EUR 68.5 million
- Average size EUR 1.6 million
- Maturity 18 months (exceptionally 12 or 24)
- First (automatic) conversions expected in August 2022
- Amount reserved for qualified rounds ≈ EUR 114 million
Rejections

- 14 companies rejected (13 grant with consent)
  - 10 by mutual agreement (all of them grant with consent)
  - 3 KYC issues (inability to provide all the requested information)
  - 1 MAC material adverse change
Status of the pipeline

- 2 companies pending discussion by the Board
- 11 companies with term-sheets not signed
- 55 companies with signed term-sheets
  - 46 direct equity
  - 9 convertible loans
Co-investment support: hands-on venture building offered to every company

1. **Venture Building**
   - **Dealflow** 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.
   - 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**.

2. **Networking**
   - 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.

3. **Fundraising**
   - 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)

800+ Investors Registered

140+ Companies listed

Success Cases

Register as an Investor
Survey.eicfund.eu
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Compliance and KYC
Konstantinos MICHOS
EISMEA.E.03.3 - EIC Fund and R&I Investments
KYC compliance analyse

• Performed by Alter Domus from questionnaire/docs requested via the AI platform.
• Under Horizon Europe, performed for ALL projects (grant only included).
EIC Fund Risk-based KYC-Compliance Checks Scheme

On All target companies
- **Self-certification**
  - Template to be sent as part of due diligence questionnaire
- **Formal representations & clauses**
  - To be included in legal documents (investment agreement & shareholders’ agreement)
- **Red Flag KYC**
  - To be complemented with searches in language of country in which company is based

Full KYC (AlterDomus)
- **Tests on a sample basis**
  - From time to time
  - Similar to grant process
- **More complex structure cases**
  - Presence of legal persons as investors
  - Particularly in different jurisdictions
- **Risk indicators detected**
  - During due diligence
  - E.g. self-certification incomplete, red flag KYC

Specialized Assessment (KPMG)
- **Risk indicators detected by Full KYC Check**
  - Mainly on tax avoidance
  - Requiring more in-depth analysis and expertise
  - KPMG assessment under assurance services
- **EIC Fund decision on granularity & risk apetite**
  - 10% stake or lower if needed
  - E.g. shareholders based in tax havens

Number of cases
- Self-Certification + Red Flag (AlterDomus): 3
- Full KYC (AlterDomus): 2
- Self-Certification + Red Flag (AlterDomus): 1
- On All target companies

Risk
- As required by higher risk

Self-Certification + Red Flag (AlterDomus)
- In 3 cases
KYC-compliance under the EIC pilot phase

• Number of Red Flag Reports undertaken under the Pilot 157 red flags issued by Alter Domus out of 159 beneficiaries under the EIC Pilot.

• Number of cases in which additional screenings were required 36 under additional Due Diligence.

• Number of formal Full KYC requested by us For 5 cases a Full KYC process was requested.

• Number of companies for which the Board finally decided not to proceed with the investment on KYC grounds – which in all cases in the end was formally based on failure to provide essential information requested in the context of KYC checks For 3 cases the board decided not to proceed based on KyC issues.
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EIC Accelerator
Q&A Equity Funding
Thank you!

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