The European Innovation Council

Backing visionary entrepreneurs

Addressing the Scale-up Gap
5 October 2021

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What is the European Innovation Council?

**One stop shop** for breakthrough, deep-tech, market-creating innovators

- Open to all innovators, in any field, at any time
- Complemented by *targeted funding* on strategic challenges
- Highly competitive for Europe’s *high potential innovators*

**Over €10 billion in agile funding** from idea to investment

- **Pathfinder** for advanced research on emerging technologies
- **Transition** from lab to commercial setting
- **Accelerator & EIC Fund** to scale up innovations by start-ups/ SMEs
- **Business Acceleration Services** (coaches, corporates, investors, etc)

**Building ecosystems and communities**

- **Proactive management by EIC Programme Managers** in specific deep-tech fields
- **Crowding in** other investors (VC, corporates, etc.)
- **Partnering** with EIT, ERC, etc and part of Horizon Europe
How does the EIC select companies

**STEP 1:** SME/Startup sends its idea at any time (continuous)

**STEP 2:** SME/Startup prepares full application with support from EIC coaches & AI tool and submits to regular cutoff dates

**STEP 3:** SME/Startup pitches in front of a Jury + answer questions

**First assessment by 4 evaluators (within 4 weeks)**

**Full assessment by 3 evaluators**

**Interview with up to 6 EIC Jury Members**

**Seal of Excellence**

**GO**

**Grant up to €2.5m**

**EIC Fund: due diligence on equity investment up to €15m**

**Business Acceleration Services**

**Opportunities from other funders**

**Business Acceleration Services**

**No GO, Rejected**

**Possibility to resubmit (once)**
The EIC Fund

Manages equity investments in startups & SMEs selected by EIC Accelerator

Dedicated Venture capital fund – owned by European Commission

Bridges equity funding gap at early stage (seed, first rounds)

Combines with other investors, provides investment opportunities for VCs and other Funds
EIC fund: Investment strategy

• Provides **patient capital** in the form of equity or quasi-equity.
• Invests at **early stage** (seed, start-up, scale-up) from €0.5 to 15 million.
• May reserve **follow-on capital** to invest in subsequent series.
• Usually targets **minority ownership** stakes (from 10 to 25%), but up to a blocking minority in cases of strategic interest for the EU.
• Investments will normally be made with a **long average perspective** (7-10 years) with a maximum of 15 years.
EIC Fund deal flow from pilot phase (2019-20)

- The EIC Fund is building a portfolio of **159 early-stage deep-tech companies** (€680 million investment, €4.3 million average)
Examples of EIC Fund investments

• **CorWave**
  - Medtech French startup developing an implantable heart pump based on breakthrough wave membrane technology.
  - EIC fund investment of €15m as part of €35 million Series C round.

• **NIL Technology**
  - Danish startup developing optical sensing and 3D imaging technologies.
  - EIC Fund participated with €10 million in €26 million equity financing round.
EIC Fund: some early lessons & next steps

• EIC pilot attracted **high demand with early impact**:  
  - 14,000 startups applied in 2020  
  - Supported over 50 “centaurs” (>€100m); and 2 “unicorns” (>€1 billion)  
  - EIC Fund processing high volumes of investments

• **Full EIC started strongly with increasing demand for equity**:  
  - 700 startups/month since launch in March  
  - First EIC Accelerator companies selected (announcement soon)  
  - Increase in companies with equity component, with **demand up to €15m**

• EIC building capabilities to **identify & assess breakthrough technologies**  
  - For Green Deal (e.g. energy, cleantech, agtech); for Open Strategic Autonomy (e.g. quantum, biotech)  
  - As part of evaluation, selection and due diligence processes  
  - For programming targeted funding in EIC Work Programme (from research to scale up)