

EIC Accelerator 2022

Backing visionary entrepreneurs

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European
Innovation
Council





EIC Accelerator 2022

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



Who can apply?

Single company (i.e. no consortia, but subcontracting and linked entities are possible)

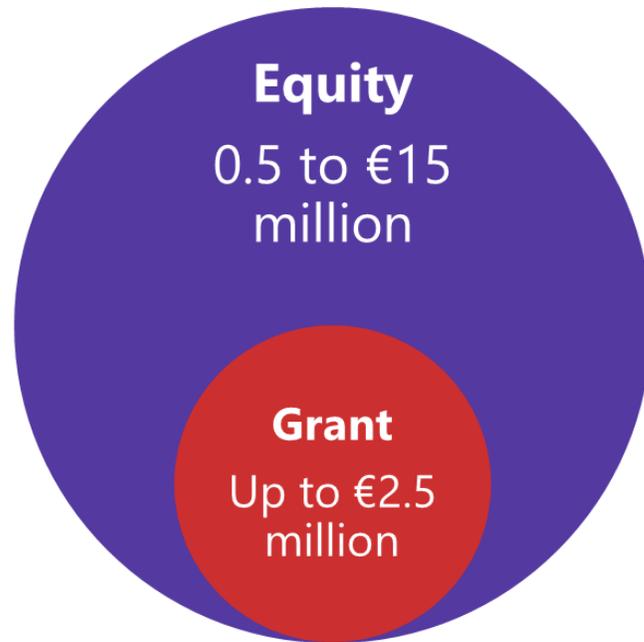
- SME according to EU definition: < 250 employees, < 50 million EUR turnover or < 43 million EUR total balance sheet, data from linked or partner enterprises might need to be taken into account*
- Small mid-caps (up to 500 employees) – for rapid scale up only (TRL 9) and investment component only
- Physical person(s) or legal entity
 - from Member State (MS) or Associated Country (AC) (**including Ukraine!**) intending to establish an SME or small mid-cap in MS or AC by the time of signing the EIC Accelerator contract.
 - From a non-associated third country intending to establish an SME or to relocate an existing SME to a MS or AC (establishment prior to full proposal!)

* For details and self-assessment tool see here: https://ec.europa.eu/growth/smes/sme-definition_de

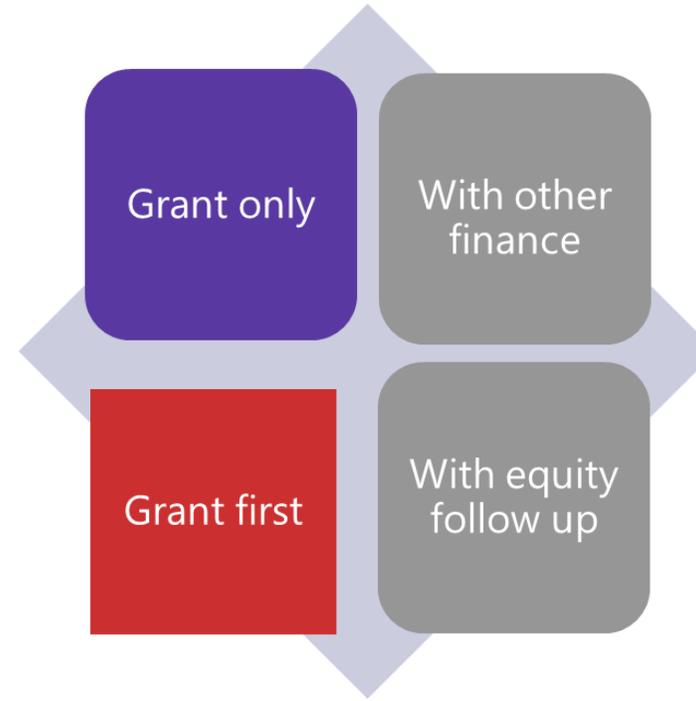
EIC Accelerator 2022

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 – other funding options



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.





EIC Accelerator 2022

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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 CO₂ emissions; more inclusive and steady acceleration towards climate neutrality by 2050



EIC programmes – Cut-off dates

- **Companies can submit a short proposal at any time during the year and will receive feedback within appr. 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 2: June 15 [Interview weeks: 12/09 to 23/09]
 - Cut-off 3: October 5 [Interview weeks: 21/11 to 2/12]





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**

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

EIC Accelerator – The evaluation process



We will help **you** to prepare your **business plan** and draft a **proposal** with AI tool and coaching

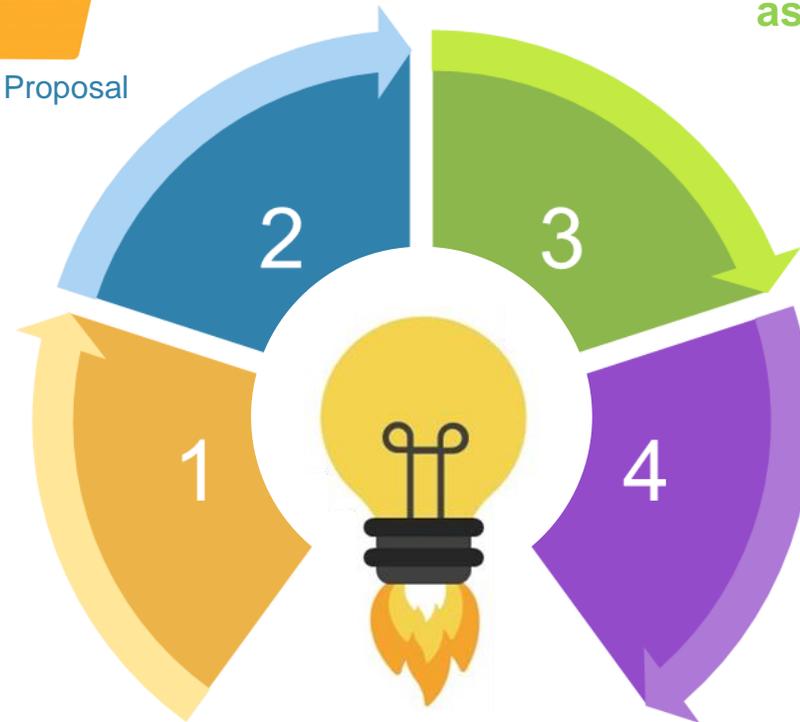


You submit your full **proposal** which will be **assessed** by Remote evaluators



You have a disruptive / deep tech **idea** with a potential to **scale up** and you need **financial support**

Tell us your story in 5 pages



You will **pitch** your innovation in front of EIC Jury Members



If selected, you will sign the **contract**



A four-steps process





Short application: your idea

STEP

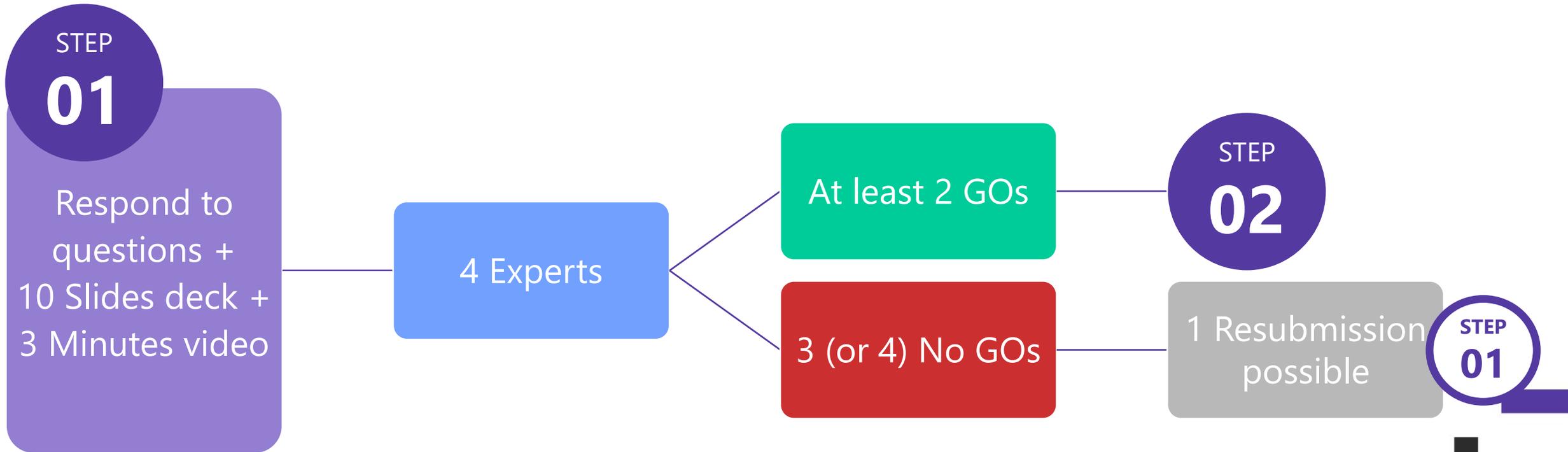
01

- Respond to a set of questions on the EIC AI-based IT platform
- Submit a 10 slides presentation
- Submit a 3 minutes video pitch





Short application: evaluation process



Continuously open, turn-around appr. 4 weeks!



Full proposal: your business plan

STEP 02

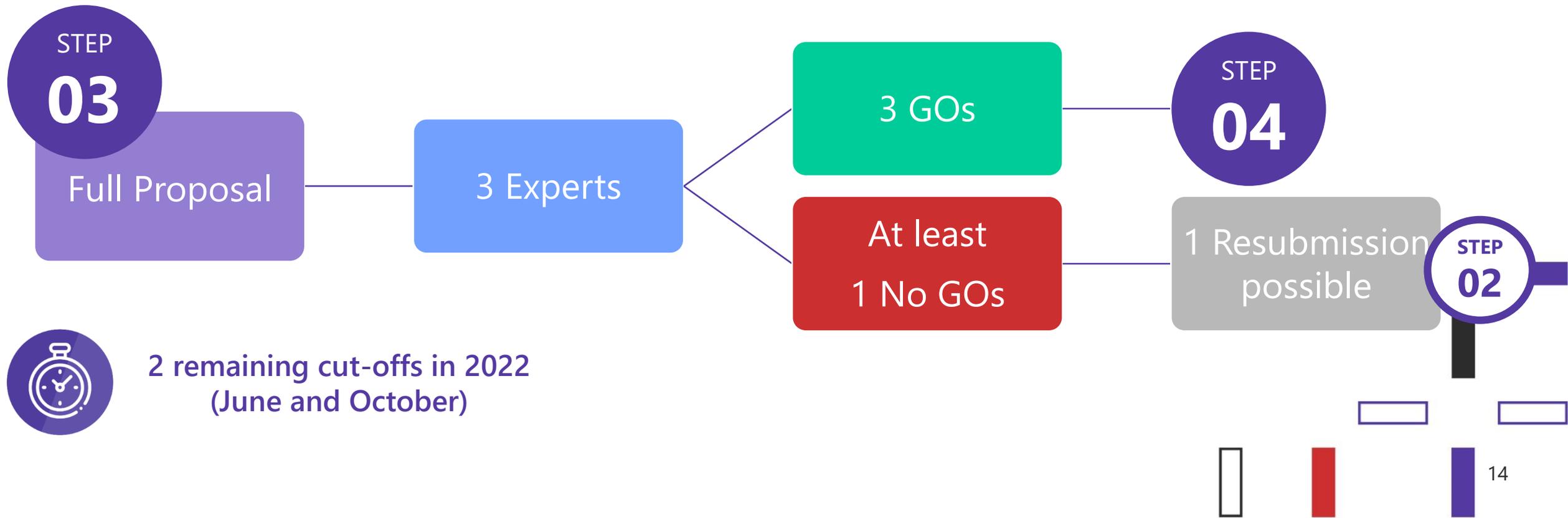
- Prepare a business plan supported by the EIC AI-based platform and with the help of an EIC business coach (not mandatory)
- Submit your full proposal



Continuously open



Full proposal: remote evaluation process





Interview: pitch your innovation

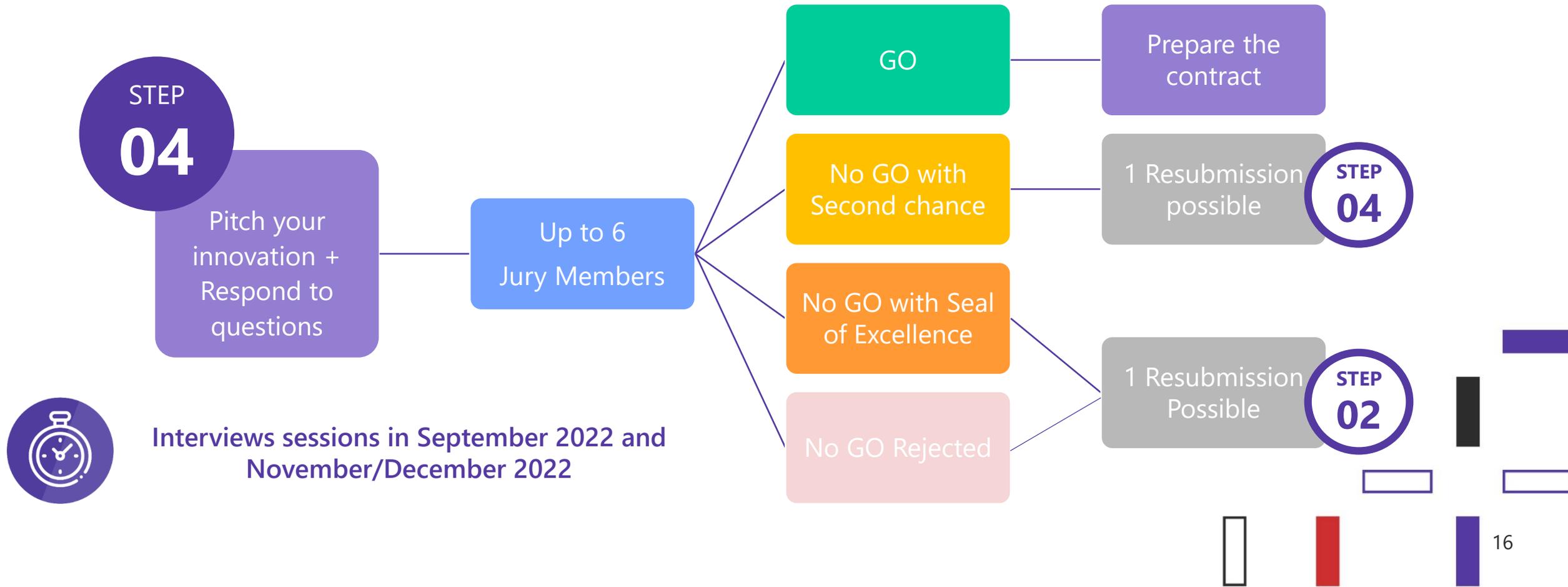
STEP

04

- Pitch your innovation to the EIC Jury Members composed of serial entrepreneurs, innovation specialists and senior investors
- Answer the questions from the EIC Jury Members
- If selected, you will sign the contract



Full proposal: remote evaluation process





Resubmission: Short and full application



1. If rejected one time

You may resubmit to the short/full application stage at any time/at one of the following cut-offs, but will be expected to have made improvements.

2. If rejected a second time

No new submission will be allowed for 12 months, at which point you may only submit a new or significantly improved proposal to the short/full application stage.





Resubmission: Interview



1. If rejected one time but you get a second chance

Resubmission of a revised proposal directly to one of the next interviews within a maximum 12 month period. Revised proposal must address issues identified by the jury. Permitted only once.

2. If rejected one time

You may resubmit directly to the remote evaluation of the full proposal at one of the following cut-offs, but will be expected to have made improvements

3. If rejected a second time

No resubmission for 12 months (starting from the date of submission of your revised full proposal), at which point you may only submit a new or significantly improved proposal to the short application stage.



Resubmission: Rebuttal

After a first rejection applicants can fill in two text boxes in their new application in which they can:

- Provide a summary of changes made, if any
- Rebut comments from evaluators in first evaluation





What to evaluate at the short proposal stage

Please note that the assessment will be based **exclusively on these and no other evaluation criteria** (a number of other aspects will be assessed in the full proposal evaluation)

Excellence

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**?

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

Impact

Does the innovation have potential to scale-up? Does the company show a clear and convincing vision, taking into account its current level of development and maturity, in relation to the targeted market, the business model and growth forecasts?

Will the innovation, if successfully commercialised achieve **broader positive, societal, economic, environmental or climate impacts**?

Level of risk, implementation and need for Union support

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?

How to assess the Excellence criterion



1. 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**?

- Why is the innovation **novel** compared to the existing solutions?
- Do you think it will be successful in **creating** a new market or **transforming** existing markets?
 - Is it a high-risk/high-potential innovation idea that has something that nobody else has?
 - Is it better and/or significantly different to any alternative?
 - Does its high degree of novelty come with a high chance of success?
 - Is it game-changing or breakthrough innovation?

Please note: Developing an innovation competing with an existing one is a non-problem as long as it brings novelty, in particular if the competitor is non-European.

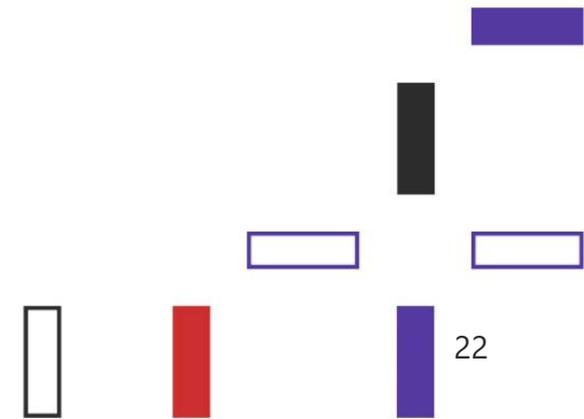
- What problem does it solve?
 - Is it a highly innovative solution in comparison with existing or competing solutions, based on costs, ease of use? Does it contribute to climate change mitigation, the environment, the gender dimension, or bring any other benefits to society?



How to assess the Excellence criterion

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

- Why is this the right **time**?
 - Does the applicant sufficiently explain the “necessity” and “urgency” of the proposed innovation?
 - Will the innovation lose the first-mover advantage or its competitive edge if not funded now?





How to assess the Impact criterion

3. Does the innovation have scale up **potential**, including the potential to develop new markets and impact on the growth of the company? Does the company show a clear and convincing vision, taking into account its current level of development and maturity, in relation to the targeted market, the business model and growth forecasts?

- What impact will the innovation have on the company? How will the innovation pay off for the company, i.e. does it have the **potential to scale up**?
- What is the targeted market and is there demand for the innovation?
 - Is there a clear plan to commercialise and enter the market?
 - Are the targeted areas of innovation realistically presented?
- Is the business idea convincing and contains a reasonable timeline in function of its current maturity?
- Do the **estimated** costs and financial needs to develop the idea seem realistic?
 - **NB:** The short proposal **does not require** a full detailed outline of the applicant's financial needs. A NO GO decision **cannot** be given based on this factor.



How to assess the Impact criterion

4. Will the innovation, if successfully commercialised achieve **broader positive societal, economic, environmental or climate impacts**?

- Will the innovation have broader positive **societal, economic, environmental or climate impacts**? Will it make life better?
 - Is the impact well defined?
 - Are there any examples which make that statement reliable?





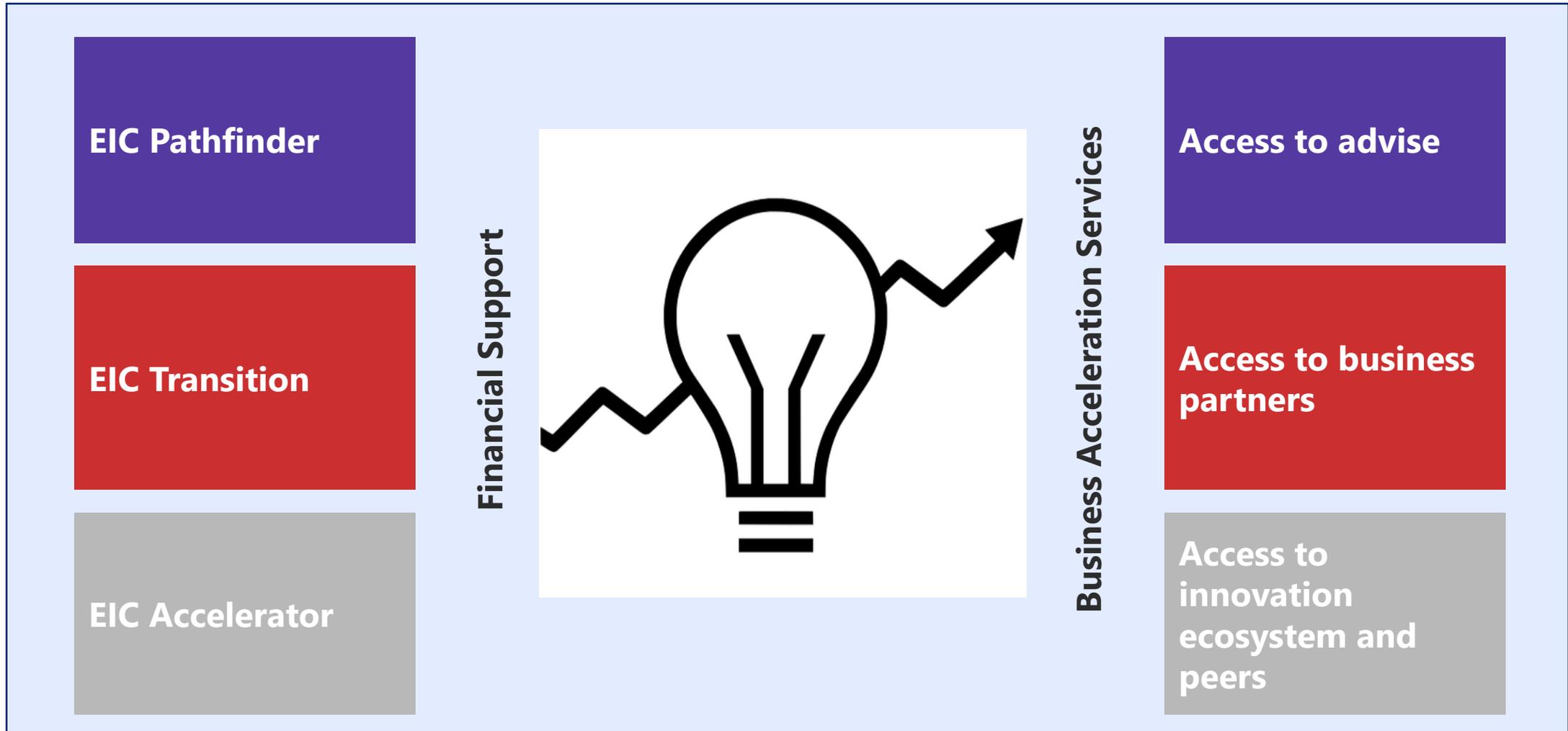
How to assess the Level of risk, implementation and need for Union support

5. 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?

- Does the company have the **team** needed to implement the action already or does it have a **plan to acquire** missing competences? Will they cooperate with other stakeholders/partners?
 - Are the roles within the team well defined and sufficient?
 - Are the missing competencies well defined and quantified?
 - **To the extent possible**, is there gender balance in the roles defined or are measures in place to promote gender equality in critical competences? This should be in function of the company's current stage of development and the sector it is working in.
- Is the team **motivated**?
 - Does the motivation, as presented, sufficiently prove long-term commitment to the project?



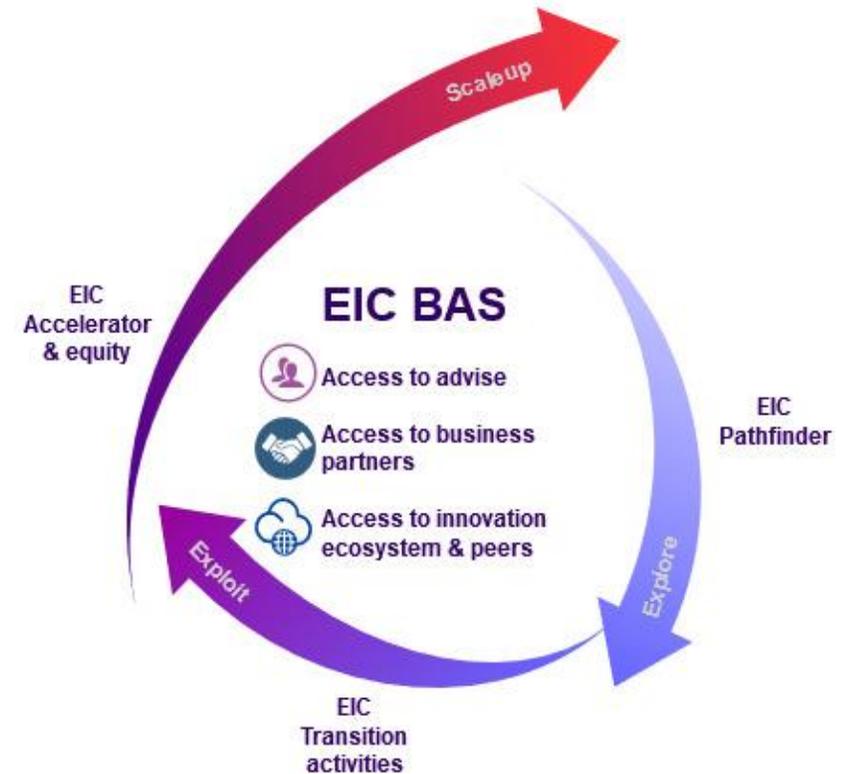
EIC Business Acceleration Services (BAS) Offer





What are the characteristics of the EIC BAS?

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

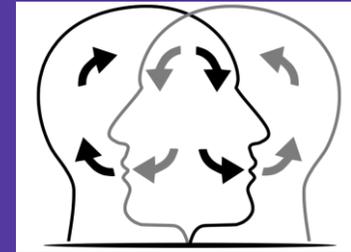


Excellence, European added value, go beyond services that exist



Access to advice

- ✓ Coaching and mentoring
- ✓ Innovation training, Bootcamp
- ✓ Access to specific expertise



- **Coaching :**

3+ business coaching days to EIC projects

From EIC large pool of coaches, with ample experience in specific industries and market contexts

to get to know the industry and to create a value proposition, improve business plan etc .

- **Innovation trainings and bootcamps**

Dedicated trainings for researchers/engineers

Identify team members that might pursue an innovation originated in a Pathfinder / Transition (ex FET) project

- **Access to specific expertise**





Access to business partners

- ✓ Contacts/matching with corporates
- ✓ Investors
- ✓ Trade Fairs
- ✓ Innovation procurers and clients



- **Corporate Partnership Programme :**

Facilitate the uptake of EIC technologies by corporates.

55 "Corporate Days". High satisfaction rate

- **Investor Days:**

Present EIC companies to investors

230 pitching events in front of investors (e-pitches and live), 250 EIC funded companies pitching, 400 partners (60% VC, 20 CVCs, 20 BAs, 10 others)

- **The Overseas Trade Fairs (OTF):** Foster participation of EIC beneficiaries to 15 major international trade fairs.
- **Innovation Procurement Programme :** to offer commercial opportunities to EIC beneficiaries by finding (first) clients for their innovative solutions through private & public procurement





Access to innovation ecosystem & peers



- ✓ EC initiatives: HR Booster, IPR Helpdesk
- ✓ EIT KICs
- ✓ Incubators & accelerator

- **EIT KICs:** Co-organisation of events, involvement of EIC companies into EIT actions
- **EEN:** Dedicated action to Support to the EIC Accelerator by the Enterprise Europe Network
- **EUIPO:** Letter of intent signed with the EUIPO to launch common actions to help EIC beneficiaries find their way in the field of IP and for SMEs to participate in the SME IP Fund.
- **European Ecosystem actors:** EIC will signed 30-50 individual partnerships with ecosystem partners with the main aim to provide specialised services to EIC beneficiaries.
- **EIC community platform**





EIC Community Platform



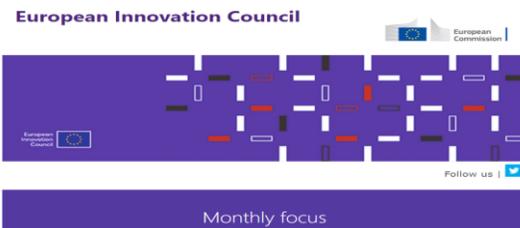
Virtual place to share information on members, events, partners' activities and services

<https://eic.eisma.eu/community/>



Large corporates, investors, and innovation procurement departments access to the EIC Community to share their **challenges**

<https://eic.eisma.eu/community/challenges>



Subscribe to EIC **newsletter**

<https://ec.europa.eu/newsroom/eisma/user-subscriptions/200/create>



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**.
- 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 83 investment agreements** (total investment proposed EUR 392 million, disbursed amount EUR 223 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.



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.
- 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.

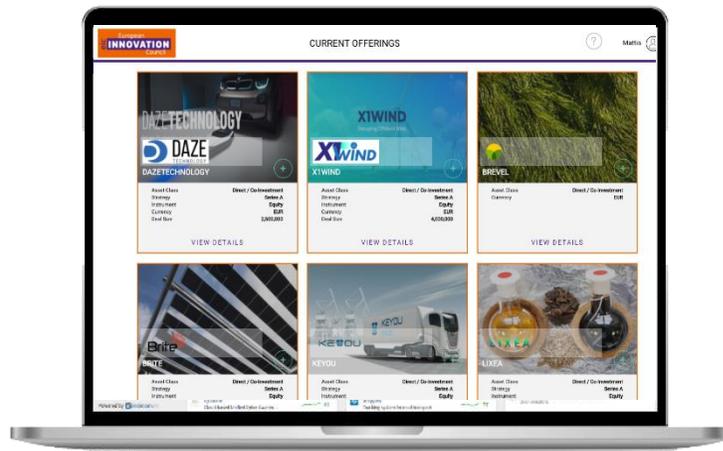
3 Fundraising

- 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)



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

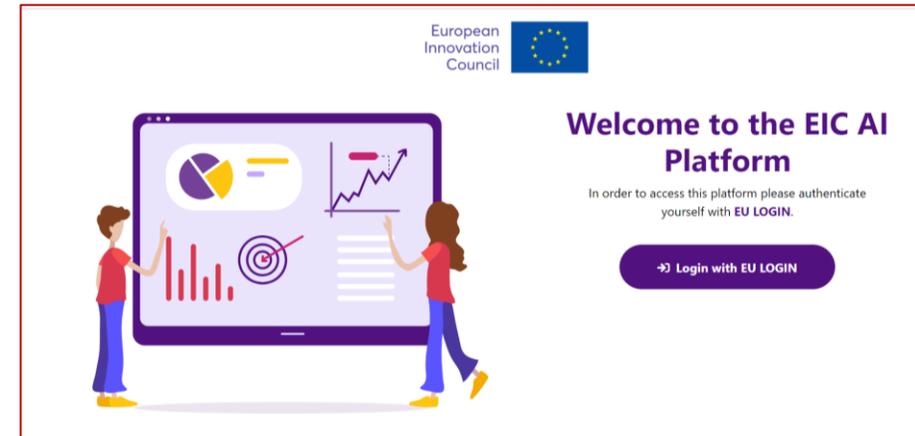
800+
Investors
Registered

140+
Companies listed

EIC Accelerator 2022: How to apply

EIC Accelerator:

https://eic.ec.europa.eu/eic-funding-opportunities/eic-accelerator_en



EIC Work programme 2022: <https://eic.ec.europa.eu/system/files/2022-02/EIC%20Work%20Programme%202022.pdf>

Support for Applicants (with FAQs, Guidelines and further contacts): https://eic.ec.europa.eu/eic-funding-opportunities/eic-accelerator_en#ecl-inpage-152

Application platform: <https://accelerator.eisma.eu/login?ReturnUrl=%2F>

Funding and Tender Portal with all legal and supporting documents: <https://europa.eu/!FnGddN>



Thank you!

@EUeic

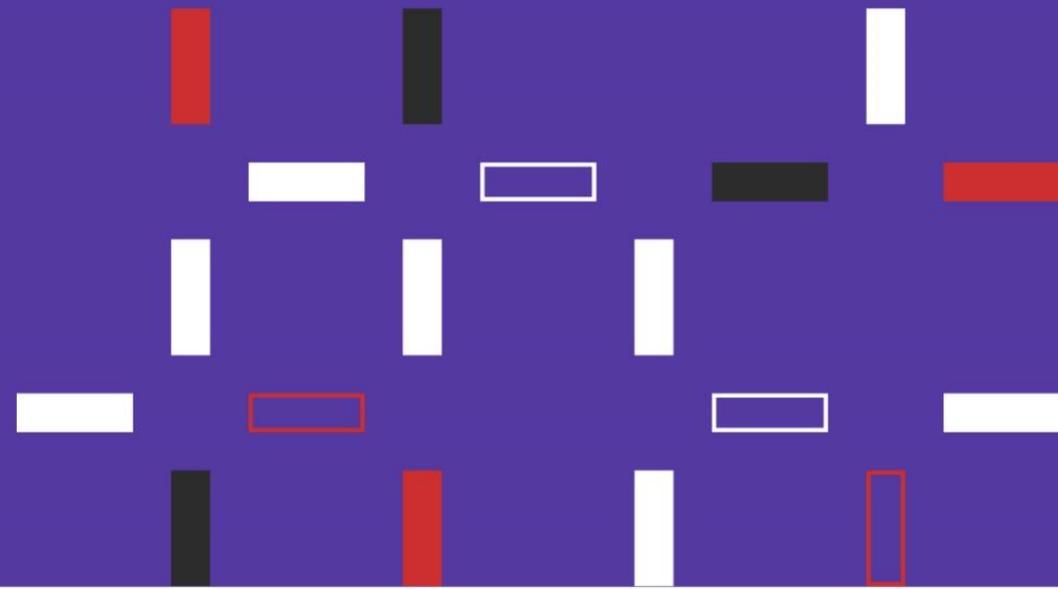
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<https://eic.ec.europa.eu>

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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;





Novelties 2022

- New EIC Investment Guidelines introduce **more flexibility** in instruments & conditions (for EIC Fund):
 - in **use of quasi-equity**;
 - in **maturity** of convertible instruments;
 - in **matching** requirement that **only** applies to **equity**;
 - in **definition of “qualified investor”** (definition is broadened).
- Revised Investment Guidelines published in March 2022





Other novelties 2022

- 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.

