The European Innovation Council – Support for Deep-Tech Innovators

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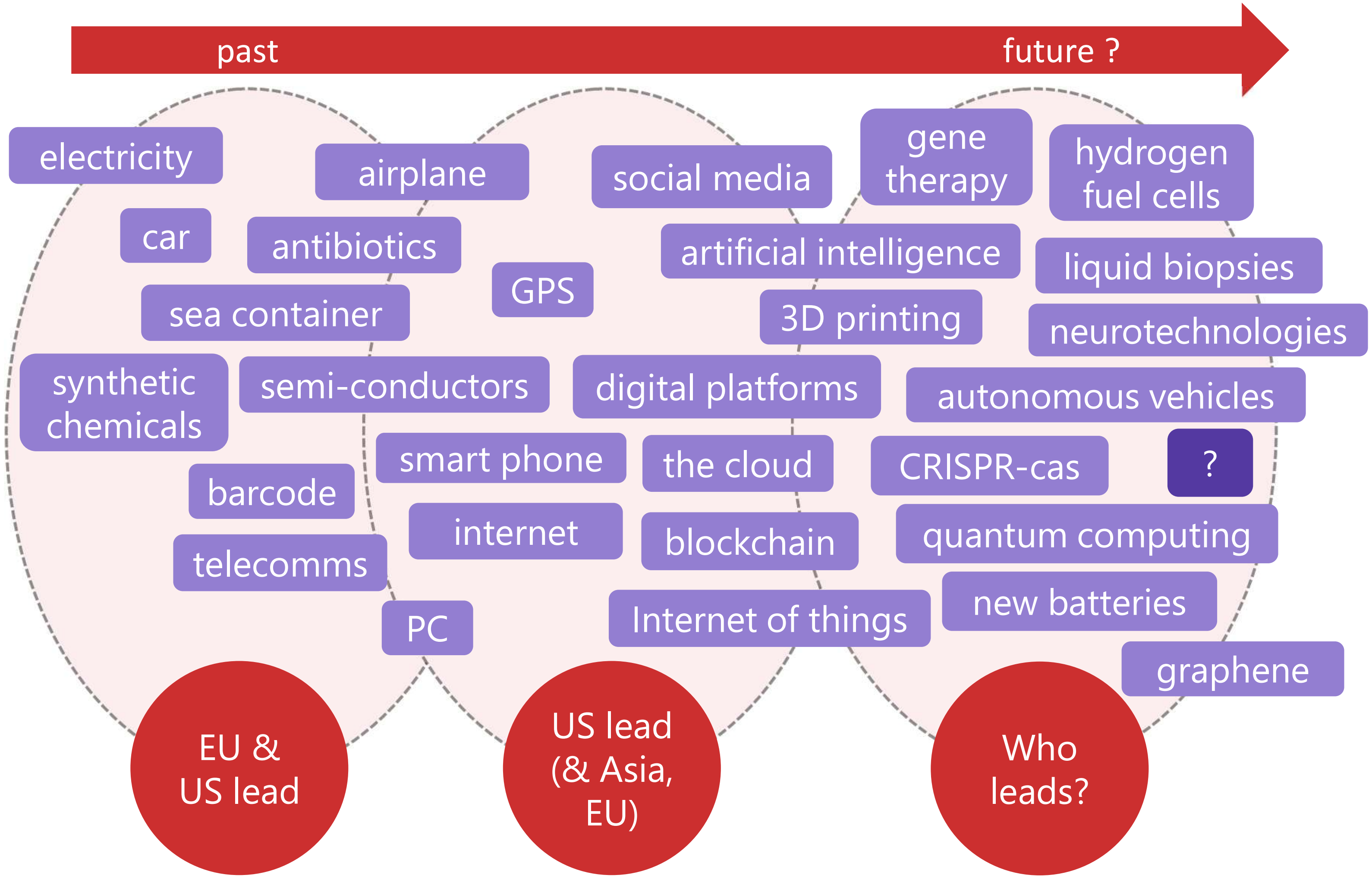
Head of Unit, EIC Accelerator

Major gaps in European innovation?

European Innovation Council

Innovation **performance**	• **Strong research performance not translated** into innovation • **Lack of breakthrough/ disruptive innovations** that create new markets
Innovation **funding**	Financing gaps (2 "valleys of death") in • **Transition** from lab to enterprise • **Scaling up** for high-risk innovative start-ups
Innovation **ecosystem**	• Many national & local ecosystems, but **fragmented at European** level • Need to **include all regions and all talent** (especially female)

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



Examples taken from WIPO, MIT, WEF, OECD.

Europe's most ambitious innovation initiative

European Innovation Council

Budget

€ 10 billion

Unique

combines research & accelerator for SMEs, startups, scaleups

Largest deep-tech innovator in Europe

Over €3 billion

Enhances the European Innovation Ecosystems

Partnerships with ERC,EIT regions...

Annual Work Programmes (separate from Horizon Europe main WP

- First WP (2021) adopted 18 March 2021, €1.5 billion
- Second WP (2022) adopted 7 February 2022, €1.7 billion
- **Third Work Programme (2023) adopted 7 December 2022, € 1.7 billion**

Pathfinder

- For **consortia**
- **TRL 1-4** (Early stage research on breakthrough technologies)
- Grants up to € 3 to 4 million

Transition

- For **consortia & single** researchers /companies
- **TRL 3-6** (Proof of concept to validation)
- Grants up to € **2.5 million**

Accelerator

- For **individual companies**
- TRL 6-9 (Development & scale up)
- **Blended** finance
  - grants up to € 2.5 million
  - equity up to €15 million

HORIZON EUROPE

EURATOM

SPECIFIC PROGRAMME: EUROPEAN DEFENCE FUND

Exclusive focus on defence research & development

- Research actions
- Development actions

SPECIFIC PROGRAMME IMPLEMENTING HORIZON EUROPE & EIT*

Exclusive focus on civil applications

Pillar I
EXCELLENT SCIENCE

- European Research Council
- Marie Skłodowska-Curie
- Research Infrastructures

Pillar II
GLOBAL CHALLENGES & EUROPEAN INDUSTRIAL COMPETITIVENESS

Clusters

- Health
- Culture, Creativity & Inclusive Society
- Civil Security for Society
- Digital, Industry & Space
- Climate, Energy & Mobility
- Food, Bioeconomy, Natural Resources, Agriculture & Environment

Joint Research Centre

Pillar III
INNOVATIVE EUROPE

- European Innovation Council
- European Innovation Ecosystems
- European Institute of Innovation & Technology*

WIDENING PARTICIPATION AND STRENGTHENING THE EUROPEAN RESEARCH AREA

- Widening participation & spreading excellence
- Reforming & Enhancing the European R&I system

EURATOM

- Fusion
- Fission
- Joint Research Center

* The European Institute of Innovation & Technology (EIT) is not part of the Specific Programme

European Commission

The European Innovation Council

Info Day Nicosia, 05 April 2023

EIC Accelerator and EIC Fund: what, why and how (practical steps)

Cornelius SCHMALTZ
Head of Unit, EIC Accelerator
European Innovation Council and SME Agency

EIC Accelerator

European Innovation Council

Supports:

- **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 or technological breakthrough **(deep tech);**
- Where **significant funding** is needed over **a long timeframe** and are **too risky** for private investors alone
- **Unique combination** of grant + investment + Business Acceleration Services (coaching, access to markets & partners)

Budget for 2023: €1.13 billion
Apply any time (short applications)
Cut-offs for full applications: 11 January, 22 March, 7 June, 4 October

EIC Accelerator – Blended Finance

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Grant component

- maximum of **less than € 2.5 million**
- eligible costs are reimbursed up to a maximum of **70%**
- small mid-caps are not eligible for a grant only
- **Innovation activities only (TRL 5-8)**

+

Investment component

- € 0.5 million and **maximum € 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)
- **Market deployment activities mainly (>TRL 8)**

Both types of activities are linked. Issues encountered in one type (including the way they are financed) may impact on the other type of activities.

What can companies apply for?

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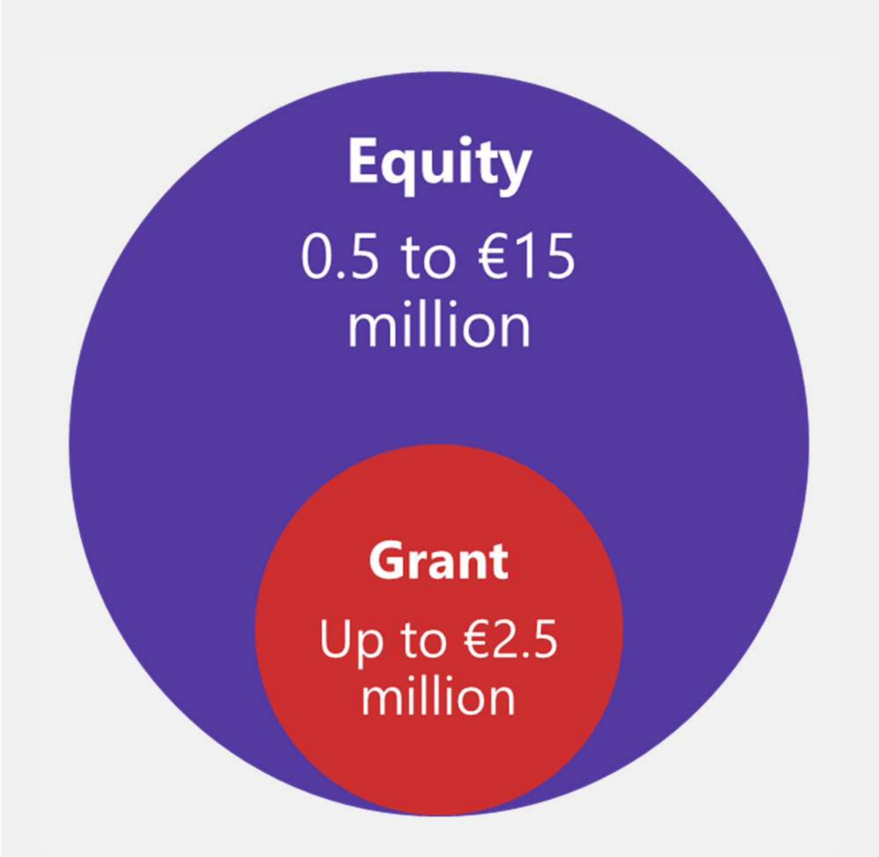
EIC Blended Finance



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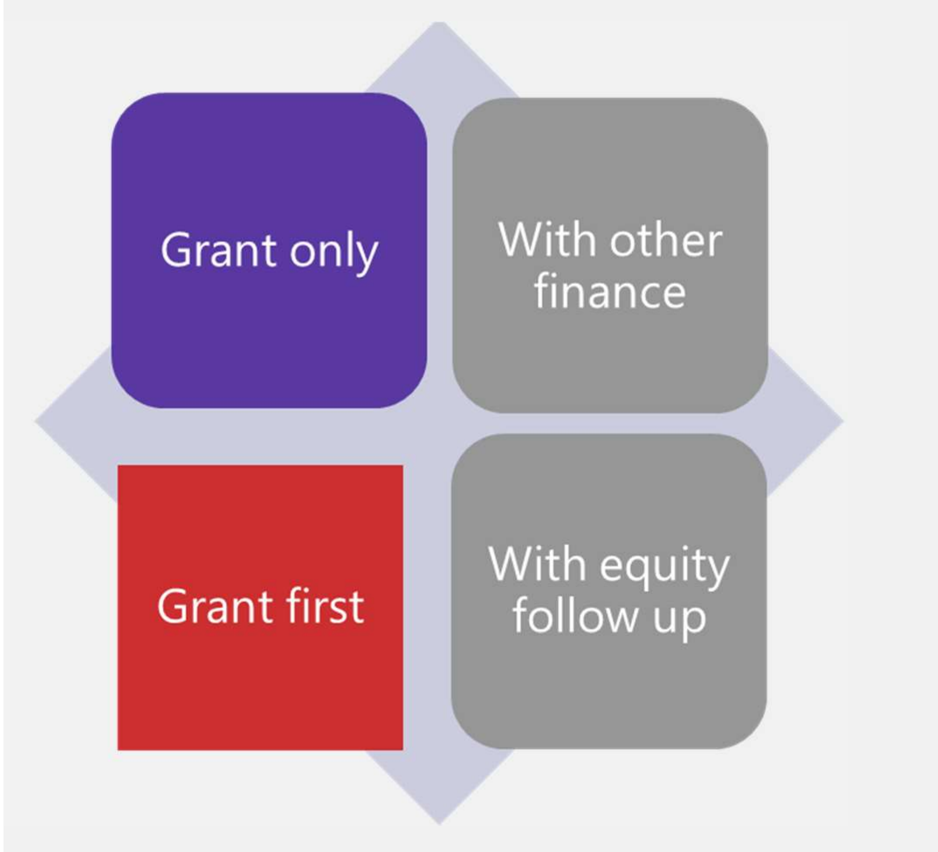

EIC Accelerator – funding options

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Grant only

If you can prove that you have sufficient financial means for 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 & investment

If you need support for development (TRL 5/6 → 8), 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 – Who can apply?

European Innovation Council

- **Single company (i.e. no consortia, but subcontracting and affiliated 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 499 employees) – for rapid scale up only
- Natural person(s) or legal entity
  - from Member State (MS) or Associated Country (AC) 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!)

* More details and self-assessment tool

EIC WP 2023: novelties/improvements Accelerator (1)

European Innovation Council

- New targeted **Accelerator Challenges** (details on next slides)
- **Fast Track procedure** – an opportunity for companies awarded a grant under Horizon 2020 under the EIC pilot Accelerator managed by the Agency to apply directly (not for grant-only) to the full application stage
- **Seal of Excellence** is sent together with a rejection letter, following an unsuccessful resubmission or at least 12 months after the 1st submission. Alternatively, an applicant may request an official rejection letter and the Seal of Excellence, if awarded, following the first submission of a full proposal, if there is not intend to resubmit it.

EIC WP 2023: novelties/improvements Accelerator (2)

European Innovation Council

- **Resubmission time limits** (table 8 in the WP)

  12 months limit to resubmit the full proposal (no limit before) . However, if the first full proposal submission was made to a cut-off in 2021 or 2022, one may resubmit to any of the cut-offs in 2023.

- **Evaluation**

  If a proposal is a resubmission and 2 evaluators give a GO on all criteria and the other evaluator gives a GO on two of the criteria and a NO-GO on one of them (hence you score **8 GOs**), then your proposal will be evaluated by a **4th expert** on the criterion which received a NO GO. If the 4th expert gives a GO on this criterion the applicant will be invited to interview, otherwise it will be rejected.

EIC WP 2023: novelties/improvements Accelerator (3)

European Innovation Council

Grant-only support under the Accelerator shall be provided only under the following cumulative conditions:

a. the project shall include information on the capacities and willingness of the applicant to scale-up;
b. the beneficiary shall be a start-up or an SME
c. a grant-only support under the Accelerator shall be provided only once to a beneficiary during the period of implementation of the Programme for a maximum o € 2.5 million

EIC WP 2023: novelties/improvements Accelerator (4)

- **Equity only**

  'The EIC Accelerator can also provide equity-only support to non-bankable SMEs, including start-ups, which have already received a grant-only support'.

- **Small mid-caps** under the EIC Accelerator:

  'a single company classified as a small mid-cap (up to 499 employees) established in a Member State or an Associated Country, but [eligible] only for exceptional cases for rapid scale up purposes'

- **Budget flexibility** between Open and Challenge

EIC Accelerator: cut-off dates

European Innovation Council

Short proposal evaluation

Submit any time during the year
Feedback within 4 weeks

Full proposal -cut off

date when a round of evaluations of **full proposals** start

Full proposal evaluation

Cut-off	Interview weeks (tentative)
*11 January 2023	February 27 – March 10
22 March 2023	May 22 – June 2
7 June 2023	September 11 – 22
4 October 2023	November 27 – December 8

**Only Open*

Funding schemes

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- **EIC Accelerator Open**

✓ to support projects in any field of science, technology or application without predefined thematic priorities ('bottom-up')

- **EIC Accelerator Challenges**

✓ to support projects within predefined thematic areas with the aim to achieve specific objectives for each Challenge

EIC Accelerator Challenges 2023

1 Novel biomarker-based assays to guide personalised cancer treatment	€ 65 million
2 Aerosol and surface decontamination for pandemic management	€ 65 million
3 Energy storage	€ 100 million
4 New European Bauhaus and Architecture, Engineering and Construction digitalisation for decarbonisation	€ 65 million
5 Emerging semiconductor & 6 Quantum technology components	€ 100 million
7 Novel technologies for resilient agriculture	€ 65 million
8 Customer-driven, innovative space technologies and services	€ 65 milion

EIC Accelerator Challenges **individual workshops** will be organised by PM early next year

The application and selection process (1)

- All proposals **submitted** in response to EIC Accelerator **calls** for proposals via the **EIC Platform**.
- Only proposals, which meet the **admissibility and eligibility** criteria, will undergo evaluation.
- Independent **experts** evaluate the proposals.
- The evaluation process is managed by the EISMEA.

The application and selection process (2)

European Innovation Council

- The **Accelerator evaluation process** is composed of **three phases**:

  ✓ **Screening of short proposals:** performed by remote evaluators, which leads to a GO or NO-GO to the next evaluation stage,

  ✓ **Evaluation of full proposals,** performed by remote evaluators, which leads to a GO or NO-GO to the next evaluation stage,

  ✓ **Interviews with participation of Jury Members** which leads to establishing the list of GO (funded) and NO-GO (non-funded) proposals

EIC Accelerator – Evaluation

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

Evaluation criteria

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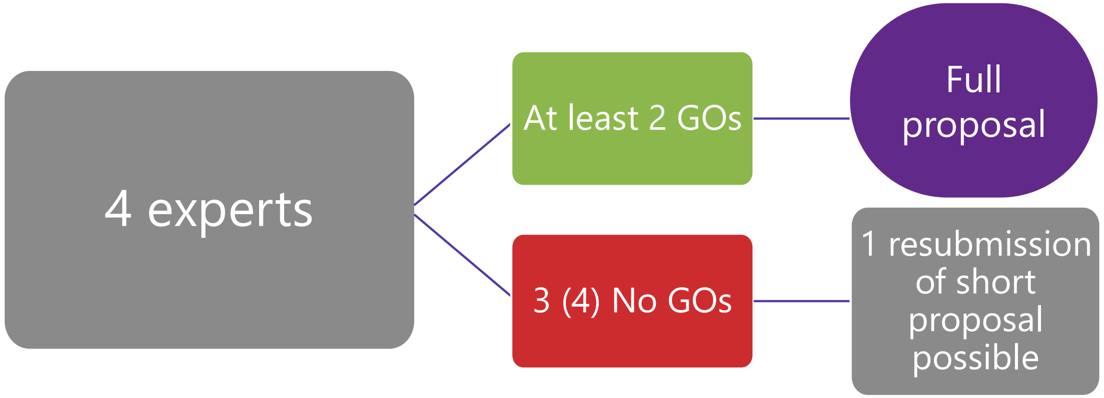
- **Excellence**
  - Breakthrough and market creating nature
  - Timing
  - Technological feasibility
  - Intellectual Property
- **Impact**
  - Scale up potential
  - Broader impact
  - Market fit and competitor analysis
  - Commercialisation strategy
  - Key partners
- **Level of risk, implementation, and need for Union support**
  - Team
  - Milestones
  - Risk level of the investment
  - Risk mitigation

Short proposal: your idea

- Respond to a set of questions on the application platform
- Submit a **10 slides** presentation
- Submit a **3 minutes video pitch**

Continuously open, results within approx. 4 weeks!



Short application: evaluation process

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Short Proposal

Continuously open, results within approx. 4 weeks!

Respond to questions + 10 slide deck + 3 minute video

4 experts

At least 2 GOs

Full proposal

3 (4) No GOs

1 resubmission of short proposal possible

Prepare the business plan (full proposal)

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Full proposal: your

12 months within receiving outcome of short proposal evaluation

- Prepare a business plan with the help of an EIC business coach (not mandatory)
- Submit your full proposal

Full proposal: remote evaluation process- first submission

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Full proposal

3 experts

3 GOs

Interview

At least

1 No **GO**

1 full proposal resubmission possible

Cut-offs
11/01/2023
22/03/2023
07/06/2023
04/10/2023

Full proposal:
remote evaluation process for resubmissions

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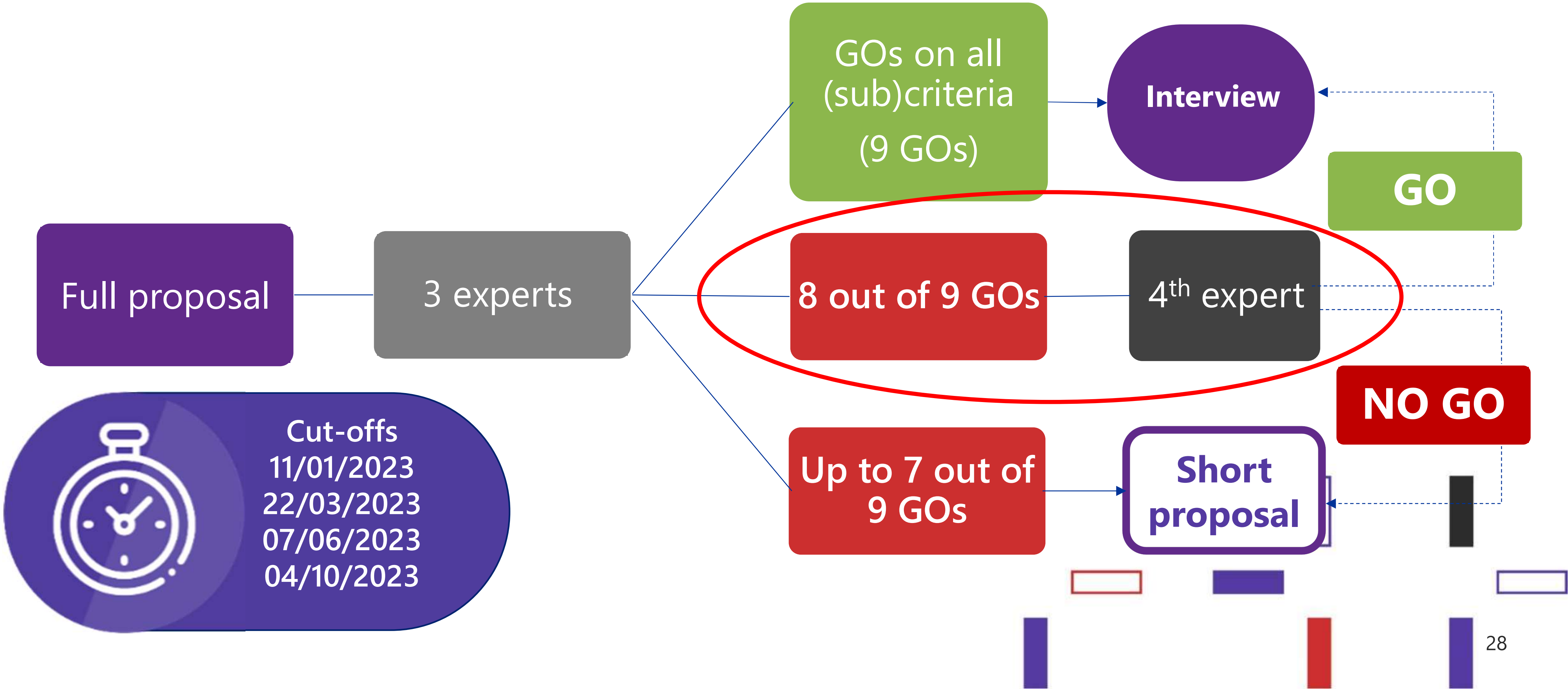

Interview: pitch your innovation

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- 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: interview

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INTERVIEW
Pitch your innovation & respond to questions

5 Jury Members (up to 6)

GO → Prepare the contract

No GO with second chance → 1 resubmission possible **INTERVIEW**

No GO with Seal of Excellence → 1 resubmission possible **FULL PROPOSAL**

No GO Rejected → 1 resubmission possible **FULL PROPOSAL**

Interviews sessions appr. 7-8 weeks after the cut-off
(except for the summer, Christmas break…)

- **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

Resubmission: Short application

European Innovation Council

1. If rejected one time

You may resubmit to the short application stage at any time, but will be expected to have made improvements.

2. If rejected a second time

You will not be allowed to submit another proposal for **12 months**, starting from the date of submission of your revised short proposal, at which point you may only submit a new proposal (which should be significantly different from your previous proposal) to the short application stage.

Resubmission: Full application

European Innovation Council

1. **If rejected one time**

You may **resubmit** directly to the remote evaluation of the full proposal at a subsequent cut-off **within 12 months** from the date of the submission of the first full proposal, but will be expected to have made improvements. (If your first full proposal submission was made to a cut-off in 2021 or 2022, you may resubmit to any of the cut-offs in 2023.)

2. **If rejected a second time**

You will not be allowed to submit another proposal **for 12 months**, starting from the date of submission of your revised full proposal, at which point you may only submit a new proposal (which should be significantly different from your previous proposal) to the short application stage.

Resubmission: Interview

European Innovation Council

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

You may be **invited to resubmit** a revised proposal directly to one of the next face to face interviews **within a maximum 12 month** period. You will be invited to provide a **rebuttal** to address the issues identified by the jury and may upload an updated pitch deck. Such a direct resubmission to the face to face interviews will only be permitted once.

2. If rejected one time

You may **resubmit directly** to the remote evaluation of the full proposal at a subsequent cut-off **within 12 months** from the date of the submission of the first full proposal, but will be expected to have made improvements. (**If your first full proposal submission was made to a cut-off in 2021 or 2022, you may resubmit to any of the cut-offs in 2023)**

3. If rejected a second time

You will **not be allowed to submit** another proposal for **12 months**, starting from the date of submission of your revised full proposal, at which point you may only submit a new proposal (which should be significantly improved different from your previous 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

EIC Investment – the equity component of the EIC Blended Finance

EIC Accelerator equity funding

- From **€0.5 to 15.0 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 or grant-first.
- 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.

** More than € 15 million investment request is allowed in duly justified cases in 2023 on a pilot basis.*

EIC investment: actors and roles

- **The European Investment Bank (EIB)** is investment **advisor** to the EIC Fund (as it was for the Pilot)
  - performs **due diligence** on selected companies;
  - prepares investment (and divestment) **recommendations** to the fund manager;
  - **negotiates** with companies and co-investors, the **terms** of investments;
  - supports the **execution** of the decisions (investment and divestment);
  - monitors the **performance** of the portfolio companies and supports the **portfolio management**.
- **The EIC Fund manager** (alternative investment fund manager, **AIFM**)
  - makes **investment/divestment decisions**, responsible for the overall investment cycle;
  - ensures **compliance** with the applicable AIFM Rules;
  - **portfolio management**, risk management.
- **EISMEA**
  - **implementation** of the **grant** and **coordination** between grant and **equity** component
  - business **acceleration services**, including support to companies in finding **co-investors**;

The investment process after selection

1. **Initial assessment** (EIB): proposals selected by EISMEA (following the interview) go through initial assessment: possible investment scenarios ("buckets") + **KYC-compliance** checks).
2. **Due diligence** (EIB, unless performed by co-investors).
3. **Investment proposal** (EIB), potential draft financing terms discussed with the beneficiary and co-investors (if any).
4. **Advisory Committee** (AIFM), provides advice to the AIFM Investment Committee (given specifies of the EIC: very early stage companies, multiple jurisdictions, from any sector or vertical) and ensures coordination grant/equity. Composed of AIFM staff, EIB, external experts and European Commission/EISMEA.
5. **Investment Committee** (AIFM), exclusively composed of AIFM staff. The IC will either approve (sometimes with conditions), including the amount and terms, propose grant-first or reject the operation.
6. **Investment agreement and disbursement** (AIFM supported by EIB). The EIB will guide the preparatory work of legal documentation for signature by the external fund manager.
7. **Portfolio monitoring and management** (AIFM supported by the EIB).

Co-investment support
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**.

- Support offered early in the process and when needed over the investment lifetime
- EIC co-investor portal aimed to facilitate investor introductions

How to apply – useful links

European Innovation Council

EIC Accelerator

EIC Work Programe 2023

Support for applicants
(FAQs, guidelines, contacts)

Funding & tenders opportunities Portal
(legal & supporting documents)

Application (EIC AI) Platform

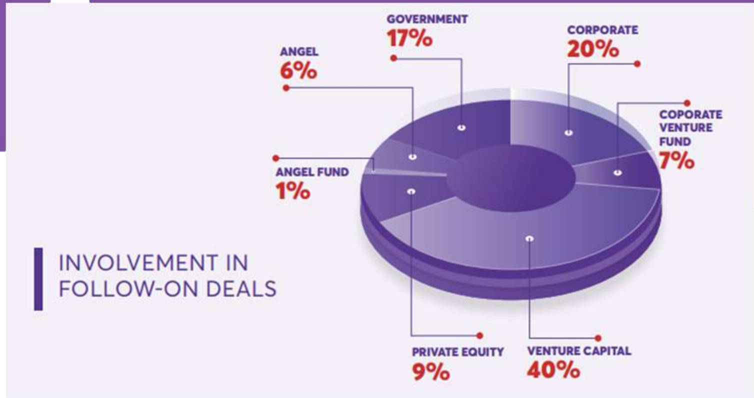
Impact Report

Target audience: investors, policy makers

- **Covers 2014-21: 1600 start-ups/ SMEs** (not 3500 SME Phase 1) & **500 Pathfinder/ FET**
- **Pathfinder:** Over 1300 innovations identified
- **Portfolio analysis** on 7 areas

Crowding in investment: €10bn of follow-on funding

with trend towards larger deal sizes. Portfolio valuation ~ €40bn. Corporates and Corporate VC involved in 27% of deals (by number)



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Thank you!

@EUeic

#Eueic

Overview Work Programme 2023

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- **Budget: €1.66 billion**
  - Pathfinder: €343 million
  - Transition: €128 million
  - Accelerator: €1.13 billion
- **Strong continuity** for main calls
- **More frequent cut-offs (4)** & **improved resubmissions** for Accelerator
- **More targeted EIC challenges,** especially for Accelerator challenges
- A new **internship scheme** and new support to **customise innovations** for prospective clients
- A new **Executives in Residence** action
- **New ecosystem approach** for Business Acceleration Services
- A new **Humanitarian Innovation Prize**

GO to the Work Programme 2023

EIC main calls in 2023 - overview

European Innovation Council

Accelerator			
Open	11 January 2023 22 March 2023 7 June 2023 4 October 2023	**~€612m** (~grant/equity)	
Challenges	22 March 2023 7 June 2023 4 October 2023	**~€523.5m** (~grant/equity)	

Pathfinder		
Open	7 March 2023	**~€179.50m**
Challenges	18 October 2023	**~€163.50m**

Transition		
Open	12 April 2023 27 September 2023	**~€67.86m**
Challenges	12 April 2023 27 September 2023	**~€60.5m**

A new approach to EIC Challenges

European
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Council

- **EIC Pathfinder:** more targeted challenges to avoid oversubscription
- **EIC Transition:** opening eligibility for all Horizon 2020/Europe results for Transition challenges
- **EIC Accelerator:** targeting of eight strategic areas for European deep-tech start ups (to open from March cut-off) with more specialist juries, etc.

Overview of EIC Challenges for 2023

European Innovation Council

€163 million for five Pathfinder Challenges

- Clean and efficient cooling
- Architecture, Engineering and Construction digitalisation for a novel triad of design, fabrication, and materials
- Precision nutrition
- Responsible electronics
- In-space solar energy harvesting for innovative space applications

€60.5 million for three Transition Challenges

- Full scale Micro-Nano-Bio devices for medical and medical research applications
- Environmental intelligence
- Chip-scale optical frequency combs

€523.5 million for eight Accelerator Challenges

- Novel biomarker-based assays to guide personalised cancer treatment
- Aerosol and surface decontamination for pandemic management
- Energy storage
- New European Bauhaus and Architecture, Engineering and Construction digitalisation for decarbonisatio
- Emerging semiconductor and
- Quantum technology components
- Novel technologies for resilient agriculture
- Customer-driven, innovative space technologies and services

Improvements for EIC Accelerator

European Innovation Council

- **4 cut-offs**

- **Strengthened evaluations**
  4th expert evaluator to decide if a full proposal at **resubmission** scores **8/9 GOs**

- **Clarification** of resubmission rules

- **Continuation of pilot** for larger investments (above €15 million) in strategic areas

Highlights of 2022

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Pathfinder

- selection of first set of "**portfolios"** to be pro-actively managed by EIC Programme Managers

Transition

- move to **continuous call** with regular cut-offs (~ every 6 months)

Accelerator

- **High level of demand** (~1000 full applications per each cut-off)
- Major **improvements in Time to Grant** towards 5 months KPI - following initial delays in 2021
- Restart of operations of the **EIC Fund** (large number of investment decisions already taken under the new structure, overcoming the backlog)

Implementation: EIC Pathfinder

European Innovation Council

Open

2021

868	**proposals submitted**
59	**projects selected**
€174.4 mil	**in funding**

2022

863	**proposals submitted**
57	**projects selected**
€183 mil	**in funding**

Challenges

433	**proposals submitted**
42	**proposals selected**
€142.4 mil	**in funding**

Evalutions ongoing (October deadline)

~ € 350 million budget

Implementation: EIC Transition

European Innovation Council

2021

EIC Transition

2022

173 proposals submitted for Open
57 proposals for Challenges
(Medtech & devices; Energy harvesting & storage)

45 proposals selected
~ €100 million funding

129 proposals submitted for Open
15 proposals for Challenges

20 proposals selected further set of evaluations ongoing (September cut-off)

~ €100 million budget

Implementation: EIC Accelerator

European Innovation Council

EIC Accelerator

2021

>5000 short applications (apply anytime)
Open + Challenges (green deal, strategic technologies)

~1900 full applications
(June, October cut-offs)
335 selected for **interview**

164 companies selected
€ 350 million grant funding
€ 642 million investment (EIC Fund)

2022

~ 2500 short applications
Open + Challenges: (strategic autonomy, Fit for 55)

~3309 full applications
(March, June, October cut-offs)
538 selected for **interview**

149 companies selected
€ 330 million grant funding
€ 448 million investment (EIC Fund)

Novel biomarker-based assays to guide personalised cancer treatment

European Innovation Council

Overall Objectives

- Support and accelerate the preclinical validation and/or clinical phase 1 work carried out by innovative SMEs and small midcaps to develop novel predictive, prognostic and companion diagnostic assays to guide cancer treatment (*contributes to the EU Cancer mission*).

Expected Outcome & Impact

- Establishing the basis for a globally competitive biotech portfolio, specifically targeted to predictive and prognostic biomarker-based solutions for downstream clinical use.
- Raising awareness and knowledge among healthcare policy makers;
- Accelerate the integration of liquid profiling and other biomarker-based tests into routine cancer care
- Enable physicians to more effectively apply and monitor guided treatment to cancer patients in the era of precision oncology.

Aerosol and surface decontamination for pandemic management

European Innovation Council

Overall Objectives

- Strengthening EU's industry preparedness and competitiveness in the area of pandemic safety technologies, by calling for proposals by SMEs with technologies, backed by scientific evidence, supporting normal social interaction, devoid of social distancing, in the presence of air- or surface-borne pathogens
- *Contribution to the mission of the European Health Emergency Preparedness and Response Authority (HERA).*

Expected Outcome & Impact

- Empowering society at large to sustain unaltered economic and social dynamics in the event of pandemic outbreaks, by reducing the need for social distancing in the event of infectious pandemics.

Energy storage

European Innovation Council

Overall Objectives

- Develop a range of breakthrough solutions for electrical and thermal energy storage at low cost, high density, high charging/discharging efficiency and enhanced durability. The scaleup of these technologies for energy storage will set up European sectors-coupled and flexible energy systems (
- *Strategic for the REPowerEU plan, transforming the EU into a resource-efficient economy.*

Expected Outcome & Impact

- Enable a strong penetration of intermittent renewable energy resources by addressing the spatial and temporal mismatches between generation and demand,
- Set up decarbonised, interconnected, sector-coupled and flexible energy systems.
- Increase Europe's energy independence from unreliable suppliers.

New European Bauhaus & Architecture, Engineering & Construction digitalisation for decarbonisation

European Innovation Council

Overall Objectives

Achieving fundamental reductions of GHG emissions in our built environment through a radical transformation in the Architecture, Engineering and Construction (AEC) sector by heavily grounding it on digitalisation practices and by modernising the value chains. The New European Bauhaus offer a framework for these new digital processes on design, fabrication, and new materials to be inspired by the efficiency, complexity, and aesthetics of nature, and consider items such as the recovery of local resources or the recycling and upcycling of wasted materials.

Expected Outcome & Impact

- Achieving a reduction in embodied rather than operational carbon emissions. Other impacts may include higher productivity, higher product quality, reduced material consumption and waste, improved construction logistic in the urban environment or increased safety.
- inspire an ambition for the AEC sector to create higher quality jobs in a more progressive and appealing business culture that is ready to deliver a transformation of the built environment in line with the objectives of the European Green Deal and the New European Bauhaus.

Emerging semiconductor or quantum technology components

European Innovation Council

This challenge contributes to the objectives of the Chips Act by supporting the development of critical technologies where start-ups & SMEs with disruptive innovations have the potential to scale up and help ensure the future open strategic autonomy of the Union. *Applications may request an investment component of above EUR 15 million in duly justified cases*

Quantum technology components

Overall Objectives

Focus on the development of emerging, fault-tolerant quantum computing hardware components, quantum sensors that work in real environment, as well as quantum communication devices that can be deployed in a real environment for practical applications such as quantum repeaters, devices for quantum-based encryption …

Expected Outcome & Impact

- Expand the quantum capabilities of Europe, underpin its economic resilience and digital sovereignty.
- Pave the way for Europe to be at the cutting-edge of quantum capabilities by 2030 as envisioned by the 2030 Digital Compass: the European way for the Digital Decade Policy Programme.

Novel technologies for resilient agriculture

European
Innovation
Council

This challenge contributes to the objectives of the Chips Act by supporting the development of critical technologies where start-ups & SMEs with disruptive innovations have the potential to scale up and help ensure the future open strategic autonomy of the Union. *Applications may request an investment component of above EUR 15 million in duly justified cases*

Semiconductor chip development

Overall Objectives

- Supporting the design & development of innovative semiconductor components and intellectual property for analogue and digital integrated circuits and systems including memory, logic, optical components, and sensors, in relevant technology fields such as: Artificial Intelligence, edge computing, Internet of Things, electric & autonomous vehicles, 5G/6G communication, cybersecurity, health and wellness, environmental sustainability.

Expected Outcome & Impact

- Foster the development of the semiconductor chip design ecosystem in Europe by increasing t[redacted]e number of innovative fabless start-ups and semiconductor IP companies in the EU, thereby contributing to the 2030 Digital Compass target of doubling EU's production of advanced sustainable chips and Europe's digital autonomy.

Novel technologies for resilient agriculture

European Innovation Council

Overall Objectives

To develop a new generation of technologies, equipment and materials solutions contributing to the development of a sustainable agricultural and food production system resilient to environmental and social disruptions.

Based on principles of regenerative agriculture and supported by Industry 4.0 technologies and in line with the core principles of Industry 5.0, human-centricity, sustainability & resilience.

In support of the EU Soil Mission and the EU Green Deal, Farm to Fork strategy, Fit for 55 and REPowerEU policy actions.

Expected Outcome & Impact

- Improve the resilience of the European food supply chain & security, notably by improving agricultural productivity and fostering environmentally sustainable technologies.
- Contribute to better carbon and nitrogen management practices, to mitigation of climate change and environmental challenges including biodiversity loss and pollution.
- Foster the EU technological autonomy and leadership via focused support of innovations in the areas of sustainable and resilient agricultural production, food security, biodiversity and environmental protection.

Customer-driven, innovative space technologies and services

European Innovation Council

Overall Objectives

Support & encourage the emergence of innovative, interoperable, scalable, and autonomous "customer-driven" innovative space technologies and services, e.g. to inspect spacecraft in orbit, to augment satellite capabilities and resilience; develop autonomous and in-space collision avoidance capabilities; in-space logistics, Earth observation, navigation, satellite communications etc.

Ensuring Europe is able to service and protect its own Space infrastructure, avoiding the risk of losing its strategic autonomy, and enhance the competitiveness of its space industry.

Applications may request an investment component of above EUR 15 million in duly justified cases.

Expected Outcome & Impact

- Generate EU companies new contracts from new markets and significant cost-savings for satellite owners.
- Affordable and cost-effective on orbit satellite servicing technologies will first benefit the EU space economy, through an increased competitiveness of EU space industry. The boom of an innovative in-space servicing (IISS) industry will result in much broader economic and market spill over effects.

Short proposal sta… iteria

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 of 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?

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?

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)

How to access Excellence criterion: novelty

European Innovation Council

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?
- **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

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.

European Innovation Council

How to assess the Excellence criterion: timing

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

- 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: potential

European Innovation Council

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?
  - Do the estimated cols 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: broader societal impact

European Innovation Council

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

European Innovation Council

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?

Full Proposal: Evaluation criterion Excellence

European Innovation Council

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

Additional consideration for EIC Accelerator Challenges ONLY: How relevant are the proposal objectives in contributing to the specific objectives of the Challenge?

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

Excellence

3 Technological feasibility: Is the innovation based on a technology or technologies that have been adequately assessed at least in a laboratory environment and relevant environments to characterise the potential and assess the level of risk (at least TRL 5/6)?
Is the technology developed in a safe, secure and reliable manner?

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

Full proposal: Evaluation criterion Impact

European Innovation Council

1

Scale up potential: Does the innovation have scale up potential, including the potential to develop new markets and impact on the growth of the company? Are the associated financial needs well assessed and realistic?

2

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

Additional Consideration for **EIC Accelerator Challenges ONLY:** Does the proposed application have the potential to contribute to the specific objectives and achieve the expected outcomes and impacts set out in the Challenge?

Impact

3

Market fit & competitor analysis:
Has the potential market for the innovation been mers and relevant types of users, including women and men, definition of unique selling points and key differentiation from competitors? adequately assessed, including conditions and growth rates?
ZHas a competitive analysis been thoroughly performed, including identification of potential customers.

4

Commercialisation strategy:
Is there a convincing and well thought-through strategy for commercialisation, including regulatory approvals/compliance needed, time to market/deployment, and business and revenue model?

5

Key partners:
Have the key partners required to develop and commercialize the innovation been identified and engaged, including their roles/competences and a sufficient level of commitment and incentivisation?

Full Proposal : Evaluation Criterion Risk

European Innovation Council

Level of risk, implementation & need for Union support

1

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

2

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

3

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

4

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

How to assess the Excellence criterion (1)

European Innovation Council

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?
- Will it be successful in creating a new market or disrupting existing markets?
- Is it a high-risk/high-potential innovation idea that nobody else has had before?
- 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?

Additional Consideration for EIC Accelerator Challenges ONLY: How relevant are the proposal objectives in contributing to the specific objectives of the Challenge?

2

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

- 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 Excellence criterion (2)

European Innovation Council

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

- Is the application sufficiently justifying the readiness of its technology/ technologies in a specific environment?
- Is there a clear plan for the future technological development needed to deploy the solution?
- Have the TRL-related risks been clearly defined and plan to mitigate them presented?

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

- Have the **AI-based systems** or techniques been developed in a safe, secure and responsible manner, with a clear identification of and preventative approach to risks?
- Is the project technically robust, accurate and reproducible, and able to deal with and inform about possible failures?
- Is the project socially robust and duly consider the context and environment in which they will operate?
- Is the project reliable and functions as intended, minimising unintentional and unexpected harm?

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

- Are the the intellectual property assets and rights as presented sufficient for the successful deployment?
- Are the measures to ensure commercial exploitation ("Freedom to operate") well thought-through?
- Has the knowledge-protection strategy been clearly detailed and addressed?

How to assess the Impact criterion (1)

European Innovation Council

Does the innovation have scale up potential, including the potential to develop new markets and impact on the growth of the company? Are the associated financial needs well assessed and realistic?

1

- Is the target market / new market well presented?
- Is the impact the innovation will have on the company well thought-through? How will the innovation pay off to the company, i.e. does it have the potential to scale up?
- Do the estimated costs and financial needs to develop and deploy the project seem realistic?
- Is the business idea convincing and contains a reasonable timeline?

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

2

- Will the innovation have real impact?
- Is the impact well defined, justified and quantified?

NOTE: Projects must comply with the 'do no significant harm' principle of the EU Sustainable Finance Taxonomy.

Additional Consideration for EIC Accelerator Challenges ONLY: Does the proposed application have the potential to contribute to the specific objectives and achieve the expected outcomes and impacts set out in the Challenge?

How to assess the Impact criterion (2)

European Innovation Council

Has the potential market for the innovation been adequately assessed, including conditions and growth rates? Has a competitive analysis been thoroughly performed, including identification of potential customers and relevant types of users, including women and men, definition of unique selling points and key differentiation from competitors? 3

- Has the SWOT analysis been properly performed?
- Has the exploitation plan to enter the market been adequately detailed?
- Have the major barriers preventing the company from entering the market been defined?
- Is the competition analysis well thought-through and provides solutions how to overcome competitors?

Is there a convincing and well thought-through strategy for commercialisation, including regulatory approvals/compliance needed, time to market/deployment, and business and revenue model? 4

- Will the innovation have real impact? Is the marketing approach adequately detailed?
- Is the Go2Market strategy of the start-up/ SME feasible and well thought through?
- Is the commercialisation strategy realistic?
- Can the company provide any proof of market traction?

How to assess the Impact criterion (3)

European Innovation Council

Have the key partners required to develop and commercialize the innovation been identified and engaged, including their roles/competences and a sufficient level of commitment and incentivisation? 5

- Are the key partners clearly defined and identified, and their roles described?
- Are the key partners' interests and commitment taken into account in the project planning?
- Is there a clear strategy to effectively communicate and cooperate with key partners?

How to assess the Level of risk criterion (1)

European Innovation Council

1 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?
- Are the roles within the team well defined and sufficient?
- Are the missing competencies well defined and quantified?
- Is the team motivated?
- Does the motivation, as presented, sufficiently prove long-term commitment to the project?
- Is the gender balance priority addressed in sufficient manner (refer to team composition description)

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

- Are the stages of the implementation plan well described?
- Are the deliverables measurable?
- Is the time scale realistic?
- Are the resources to shared in the project well defined?
- Are the defined milestones sustainable in the long-run?

How to assess the Level of risk criterion (2)

European Innovation Council

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

3

- Does the company have the team needed to implement the action already?
- Are the roles within the team well defined and sufficient?
- Is the risk of the investment in the innovation well described and justified?
- Is there evidence that the company is not investment-ready according to current market risk appetite*?
- Are there any letters of intent confirming the market's interest and its reluctance to invest?
- Is there evidence that the EIC funding will de-risk the investment for potential future investors?

NOTE: The risk relates to the current stage of development of the innovation and the company. It is a combination of the risk related to the early stage of the company as such (team/financing structure/governance/partners), the product development and market entry and the type of product (deep tech, breakthrough). To already have or not have investors is not a decisive element for the EU support.

How to assess the Level of risk criterion (3)

European Innovation Council

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

4

- Have these risks been well described and quantified?
- Is there a strategy to prevent the risks as presented?
- Is there a strategy to mitigate the risks?

The EIC Fund

- **Manages equity investments** in startups & SMEs selected by EIC Accelerator.
- The EIC Fund is a **venture capital fund** established in June 2020 by the European Commission.
- An **external fund manager** has been recently appointed as part of the **EIC Fund restructuring**, 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 and considering the legal base. This has **no impact on funding offered** by the EIC or on the **selection process**.
  - The EIC **Fund Manager** **makes investment/divestment decisions** and portfolio management.
  - The **European Investment Bank (EIB)** is investment **advisor** to the EIC Fund performing the due diligence, preparing the investment proposal and supporting the portfolio management.
  - **EISMEA**
    - conducts the **evaluation and selection** of proposals;
    - implements the **grant** component;
    - ensures **coordination** between grant and equity components.
  - Since its incorporation, the EIC Fund has **approved more than 170 deals** (+EUR 800 million) and **signed 96 investment agreements** (Pilot phase and Horizon Europe).

The EIC Fund

- **Manages equity** investments in startups & SMEs selected by EIC Accelerator.
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  - The **EIC Fund Manager** makes investment/divestment decisions and portfolio management.
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  - **EISMEA**
    - conducts the **evaluation and selection** of proposals;
    - implements the **grant** component;
    - ensures **coordination** between grant and equity components.
- So far **> 170 deals approved** (+€ 800 million), **96 investment agreements signed** (Pilot phase and Horizon Europe).

The investment process after selection

(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** (external **EIC Fund Manager**), which will either approve (sometimes with conditions), including the amount and terms, propose grant-first or reject the operation.
5. **Investment agreement and disbursement**. The EIB will guide the preparatory work of legal documentation for signature by the **EIC Fund Manager**.
6. **Portfolio monitoring and management** (**EIC Fund Manager** supported by the EIB).

** Investment Guidelines*

Due diligence

European Innovation Council

- The **EIB** performs 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*

European Innovation Council

- **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.

** Investment Guidelines*