

The European Innovation Council

Backing visionary entrepreneurs

HORIZON EUROPE - LAUNCH
EVENT WITH THE REPUBLIC OF
MOLDOVA

3 December 2021

European
Innovation
Council





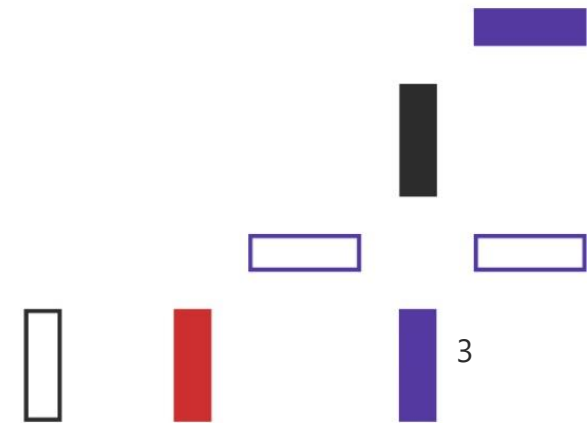
A brief history...

- **2015:** Proposed by Commissioner Moedas as an innovation equivalent of the European Research Council
- **2017:** Recommended by Group led by Pascal Lamy in “Lab – Fab – App” report on mid-term review of Horizon 2020
- **2018** High level group of innovators (Chair Hermann Hauser) published “Funding - Awareness - Scale - Talent (FAST) Europe is back: Accelerating breakthrough innovation” with recommendations to set up EIC
 - Fed into EIC pilot phase 2018-2020
 - Commission’s legislative proposals for establishing EIC as part of Horizon Europe programme
- **2020** EIC pilot Advisory Board (Chair Mark Ferguson) published “A vision for the EIC: from deep-tech research to visionary innovation and scale-ups”
 - Basis for first EIC Work Programme
- **March 2021:** Launch of EIC – event with Commission President von der Leyen, President Macron, Commissioner Gabriel, et. al.



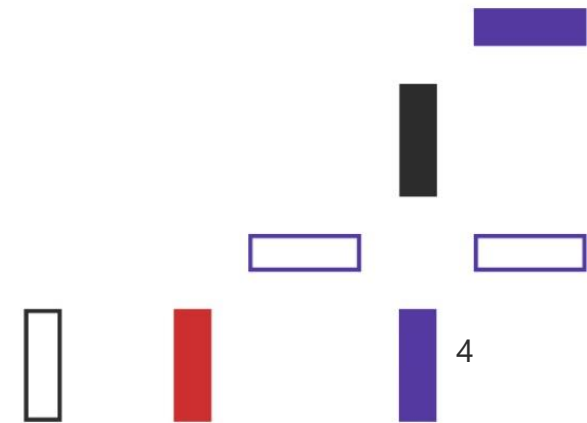
Europe's most ambitious innovation initiative

- **€10 billion** programme to identify, develop and scale up breakthrough technologies and disruptive innovations in Europe
- **Unique** in the world to combine research on emerging technologies with Accelerator for startups, SMEs and scaleups
- **EIC Fund** largest VC deep-tech investor in Europe (over €3 billion)
- **Innovator-centric** steered by Board of leading innovators
- **Pro-active approach** with flexible funding
- Enhances the **European innovation ecosystem**





European Innovation Council – why?





What's holding back European innovation?

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**

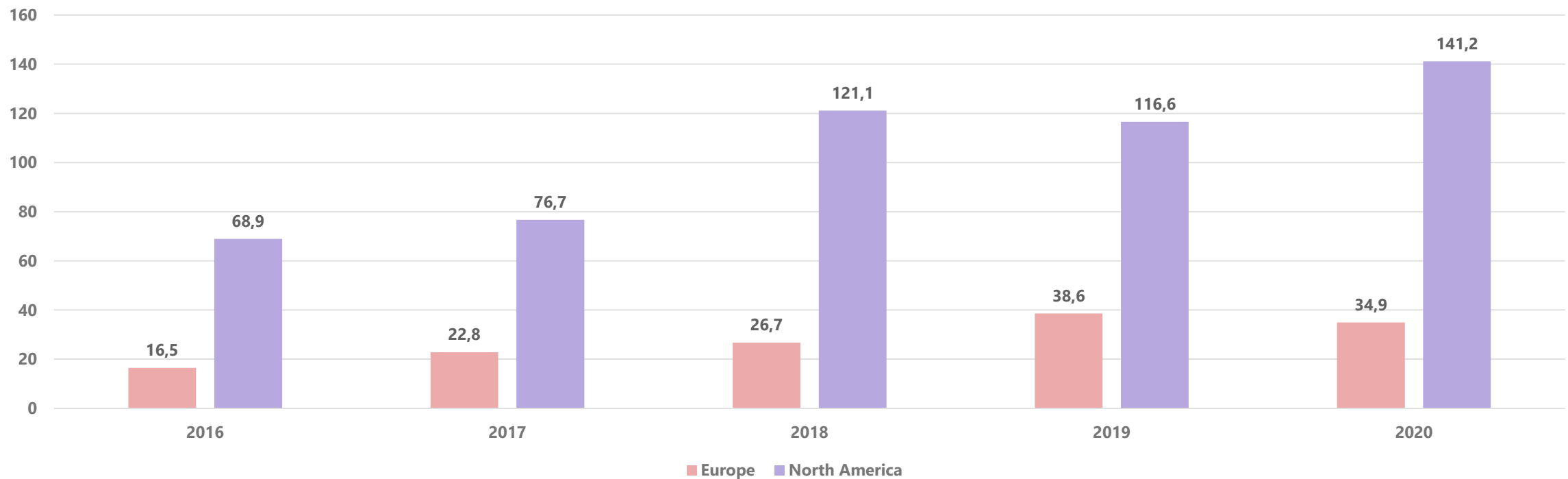
- Many national & local ecosystems, but **fragmented at European** level
- Need to **include all regions and all talent** (especially female)



Funding gap for scaling up highly innovative startups and SMEs

US venture capital investments are 4-5 times higher than EU

Capital invested by year (B\$)

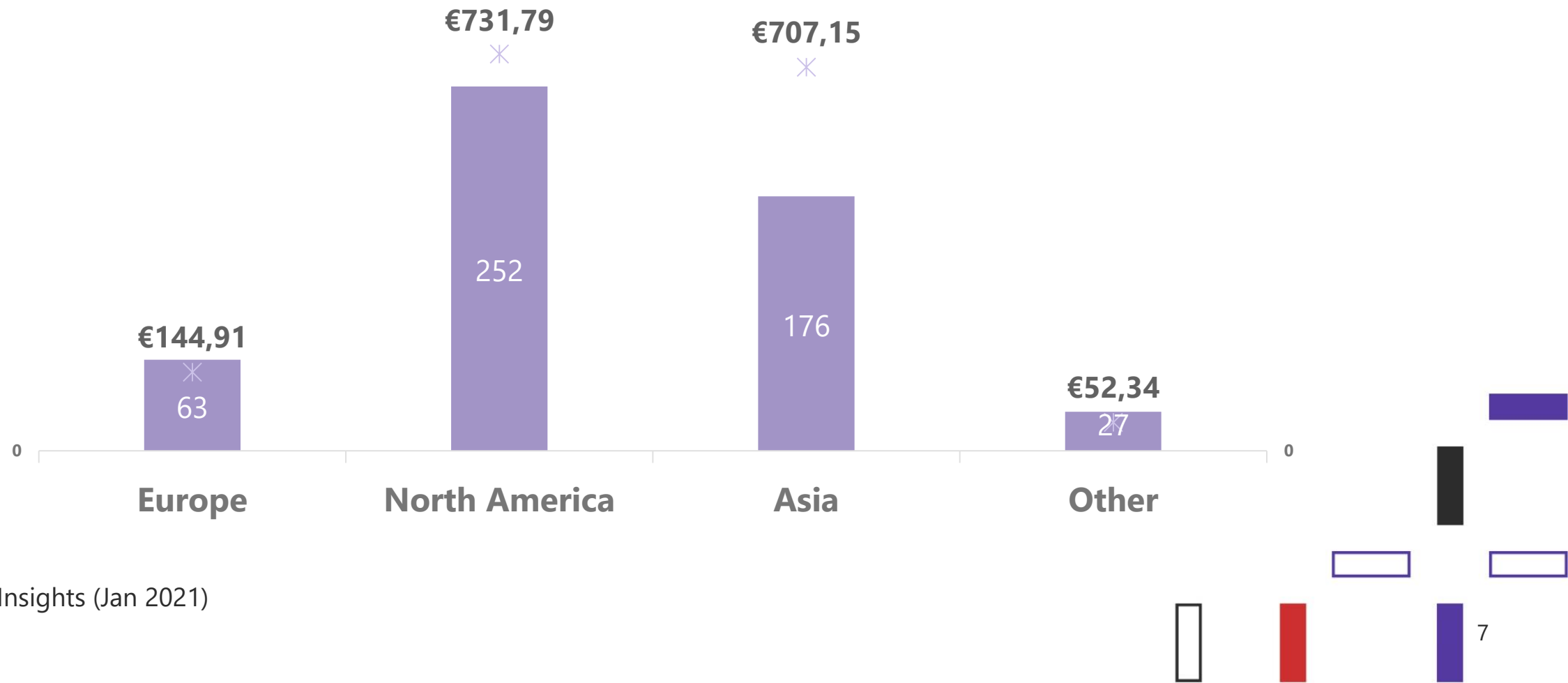


Source: [Invest Europe, Pitchbook]

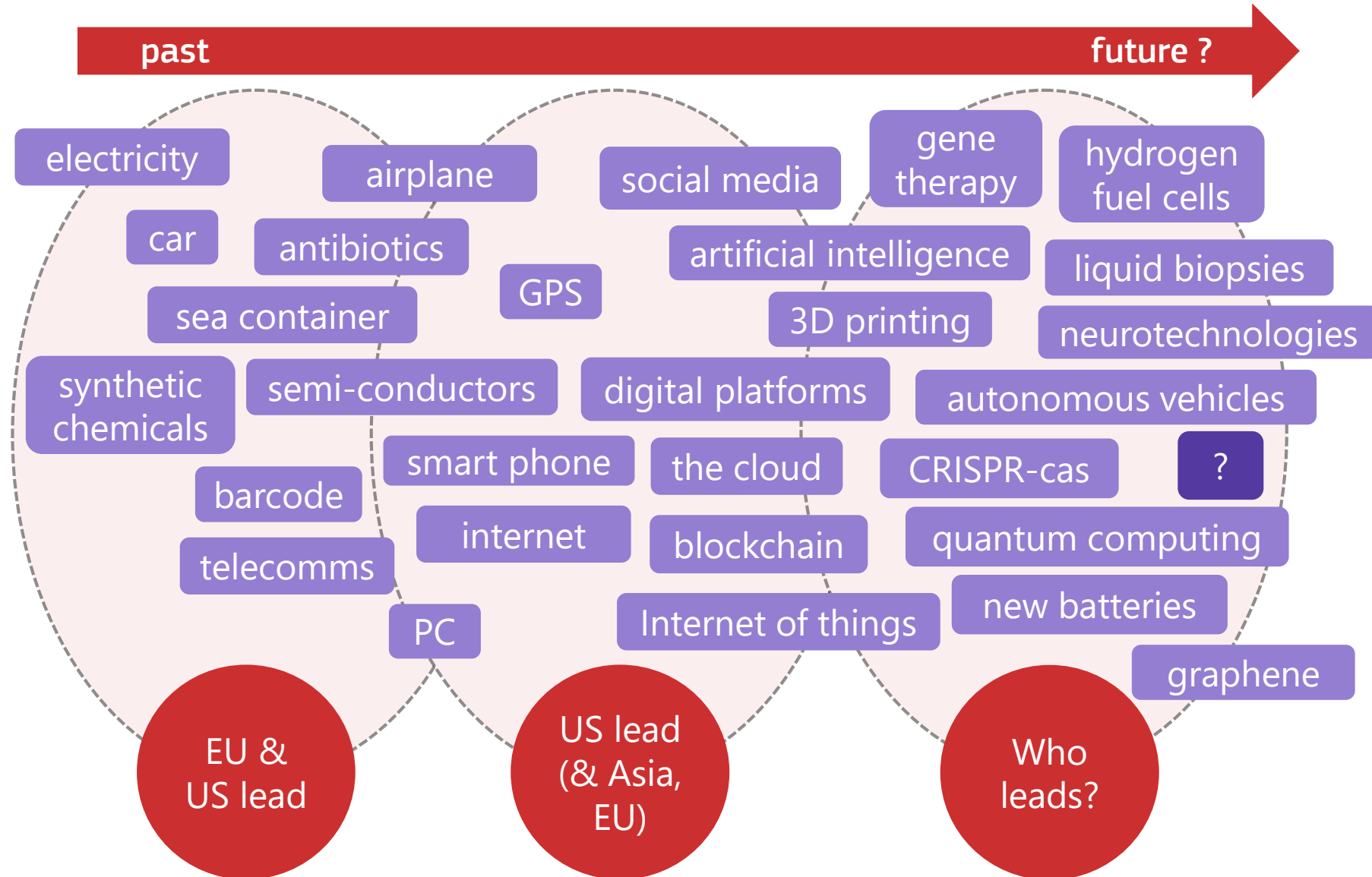


What is at stake: will Europe be home to future « unicorns »?

Number and market value of "unicorn" companies (valued at over €1 billion) by regions



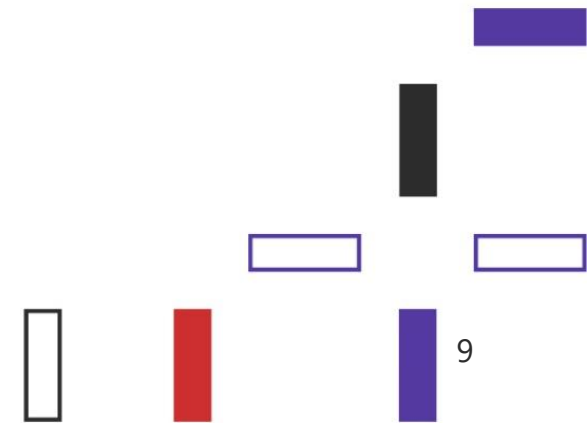
What is at stake: who will lead on the next wave of strategically important technologies?



Examples taken
from WIPO, MIT,
WEF, OECD, etc.



Experience from the EIC pilot phase (2018-20)





EIC pilot phase (2018-20) under Horizon 2020 programme

- **Budget of €3.5 billion (2018-20)**, €1.55 billion in 2020
- Introduction of **EIC pilot blended finance** (2019), **and set up of EIC Fund** (2020)
- **Very high demand:** ~ 14000 applications from SMEs/ startups in 2020 with request for over €40 billion support;
- **Special support for:**
 - **COVID relevant innovations:** 36 Startups/SMEs awarded funding of over €160m in May;
 - **'Green Deal' innovations:** 64 startups/ SMEs awarded funding of over €300m in July;
 - **for women innovators:** at least 25% of start-ups/ SMEs invited to interview to have female CEO
- **First four EIC programme managers** recruited



EIC pilot phase (2018-20) under Horizon 2020 programme

- **Bringing together and reform of existing instruments:**
 - **Future Emerging Technologies** (FET Open, FET Proactive) => **EIC pilot Pathfinder**
 - Also, FET Launchpad, FET Transition to innovation as basis for EIC Transition
 - **SME instrument** => **EIC pilot Accelerator**
 - Primarily bottom up; face to face interviews
 - Introduction of "blended finance" grant of up to €2.5 m and equity of up to €15 m in single application
 - Also Fast Track to Innovation (FTI) and Prizes
- **Expanded Business Acceleration Services:**
 - Multi-corporate days (e.g. Planet.tech; energy4planet), visits to innovation hubs, overseas trade fairs, etc
 - Services for Pathfinder (boot-camps, etc.)

Impacts of EIC pilot Accelerator (including SME instrument)



Growing support to Startups & SMEs

- **5500** supported since 2014
- **159** awarded blended finance with ~€700 million equity
- Increase in startups with female CEOs



Crowding in other investors:

- **€9.6 billion** follow up investments to EIC supported companies
- **3 unicorns** - value €1billion+
- **91 centaurs** - value €100million+



90% addressing Sustainable Development Goals

Main thematic in:

- 30% in **Green Deal**
- 30% in **Digital**
- 30% in **Health** (*including COVID solutions*)

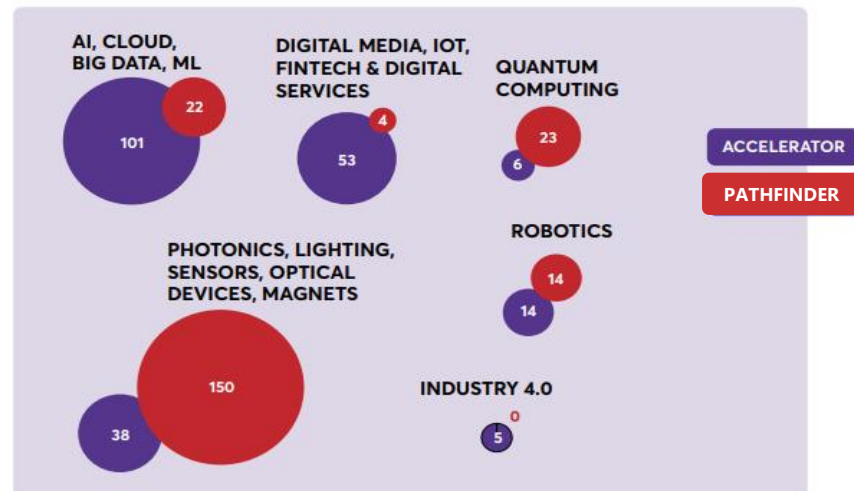
A pipeline of breakthrough technologies

- **400** research projects
- **800** innovations tracked
- **Pilot of Transition funding** to follow up research results into applications

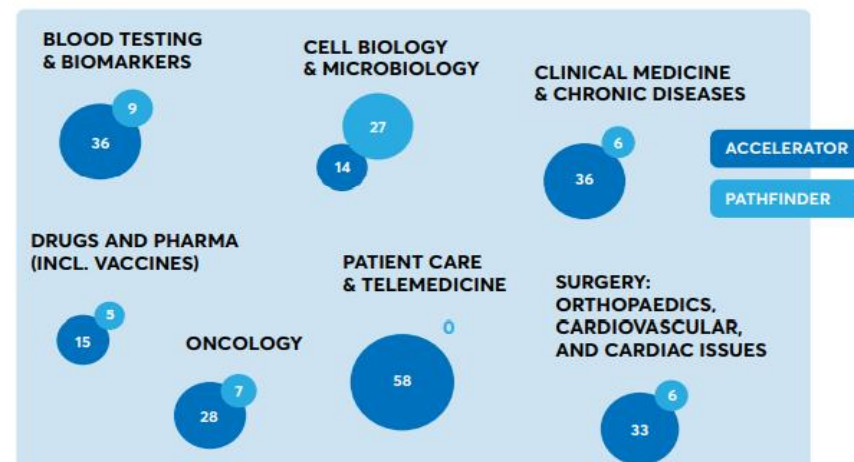
EIC PATHFINDER and ACCELERATOR Projects in main thematic portfolios [2018 – 2020 (ongoing)]



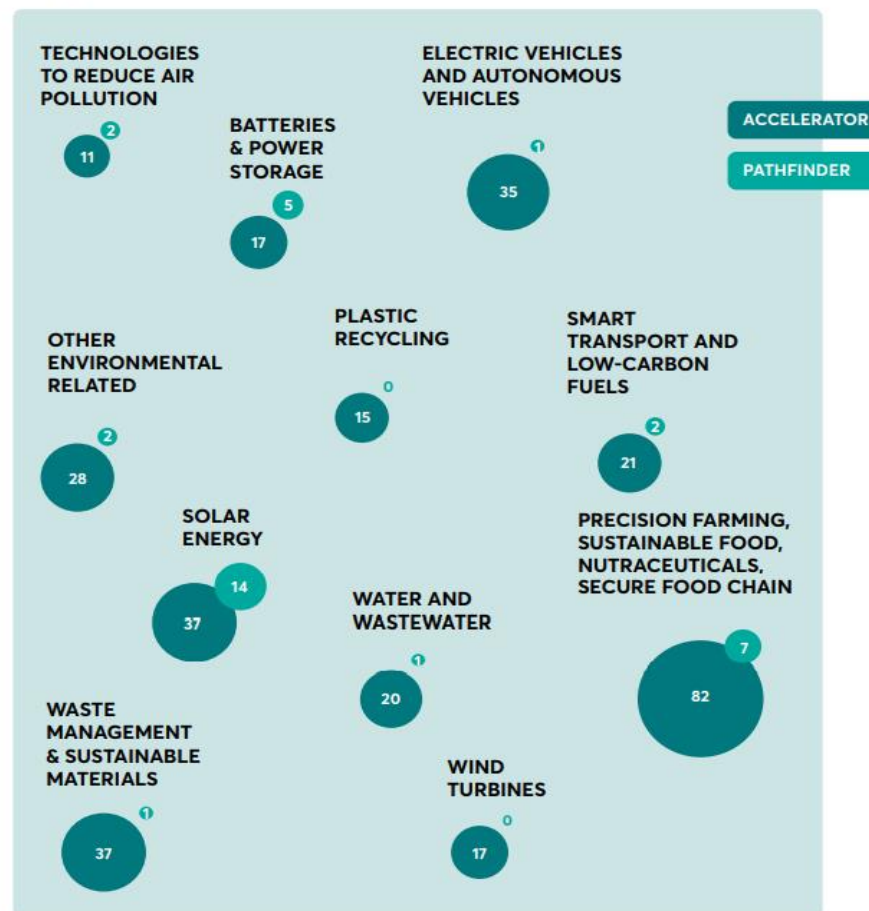
For Digital and Industry 5.0



For Health

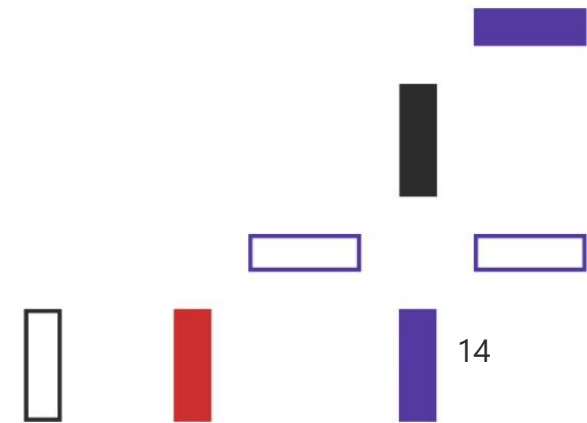


For Green





What does the EIC look like in Horizon Europe?





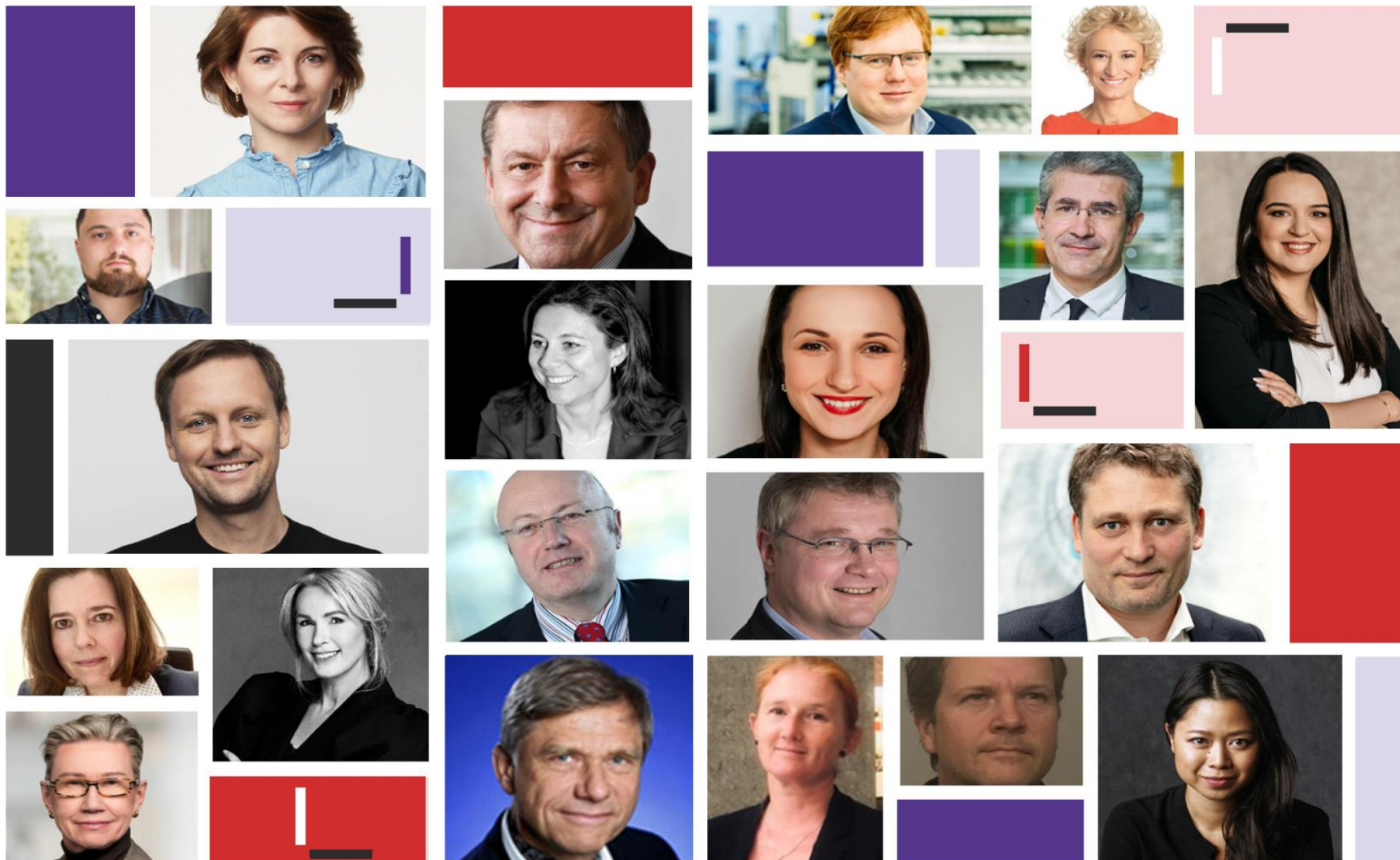
EIC Governance

- **EIC Board & President** to set strategy, advise on work programme & implementation
- **EIC and SME Executive Agency** (from 1 April) to manage EIC activities
- **EIC Fund** to manage equity investments in EIC supported companies
- **European Commission** to appoint Board, adopt Work Programme, monitor implementation





EIC Board 2021-2023



The fully fledged EIC



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

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

Building ecosystems and
communities

- Access to Business Acceleration Services (coaches, mentors, corporates, investors & knowledge partners)
- EIC Programme Managers to develop visions for breakthroughs, manage portfolios, and connect to ecosystems
- Crowding in other investors (VC, corporates, etc.)



EIC main instruments and characteristics

Pathfinder

- **Early stage research** on breakthrough technologies
- Grants up to €3/4 million
- Successor of FET (Open & Proactive)

Transition

- **Technology maturation** from proof of concept to validation
- **Business & market readiness**
- Grants up to €2.5 million

Accelerator

- **Development & scale up** of deep-tech/ disruptive innovations by startups/ SMEs
- Blended finance (grants up to €2.5 million; equity investment up to €15 million)
- Successor of SME instrument

- Focus on **breakthrough, market-creating, deep-tech**
- **Mainly bottom up** complemented by targeted funding on strategic technologies/ challenges
- Steered by **EIC Board** of leading innovators (entrepreneurs, investors, researchers, ecosystem)
- **Business Acceleration Services** (coaches/ mentors, corporates, investors, ecosystem)
- **Pro-active management** (roadmaps, reviews, re-orientations, etc) with EIC Programme Managers
- **Fast track access** to Accelerator for results from EIC Pathfinder, EIT, ERC, Eurostars



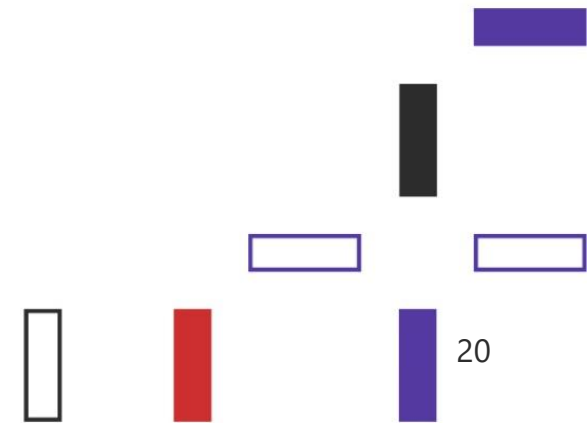
EIC main funding in 2021

Accelerator - Open	Short applications - Apply any time ~ 700 per month	~ €593m (~grant/equity)
Accelerator – Challenges	Cutoffs for full applications: 16 June ~ 800 applications, 135 interviews, <u>65 funded</u> 6 October ~ 1000 applications, ~200 interviews, <i>Results soon</i>	~ €495m (~grant/equity)
• Green Deal innovations • Strategic technologies: digital & health		
Pathfinder - Open	Deadline 25 May 868 proposals submitted <u>56 funded</u>	~ €168m
Pathfinder - Challenges	Deadline 27 October 433 proposals submitted <i>Evaluations ongoing</i>	~ €132m
• Awareness inside • Measure & stimulate brain • Cell & gene therapies • Green Hydrogen • Engineered Living Materials		
Transition – Open	22 September 292 proposals submitted <i>Evaluations ongoing</i>	~ €60m
Transition – Challenges		~ €40m
• Medtech & devices • Energy harvesting & storage		



EIC Business Acceleration Services

- Coaching and mentoring
- EIC Corporate days
- EIC Procurers days
- EIC investor matchmaking/ pitching
- Women leadership programme
- GHG emissions programme
- Overseas Trade Fairs
- Many other activities..





EIC Programme Managers

- Proactive management of thematic portfolios of EIC projects
- EIC currently employs 4 Programme Managers (PM):
 - Iordanis Arzimanoglou - **health and biotechnology**
 - Enric Claverol-Tinturé - **medical technologies and medical devices**
 - Francesco Matteucci - **materials for energy and environmental** sustainability, innovation management
 - Marco Pantaleo - **energy systems and green technologies**
- A call was published on 14 July 2021 to recruit 6 more.
 - Senior level temporary agent for up to 4 year
 - Wide range of areas (but complementary to the areas of existing PMs)
 - Selection based on CV, video pitch of deep-tech vision and interview with panel (possibility to incl. EIC Board members)
 - Particularly encourage female candidates in order to redress gender balance
 - 43 Interviews ongoing, recruitments from start 2022



Thank you!

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