

The European Innovation Council

Backing visionary entrepreneurs

Jean-David MALO

Director of EISMEA

(European Innovation Council and SMEs
Executive Agency)

European Innovation Council Info day in Italy

6 Mai 2021

European
Innovation
Council





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

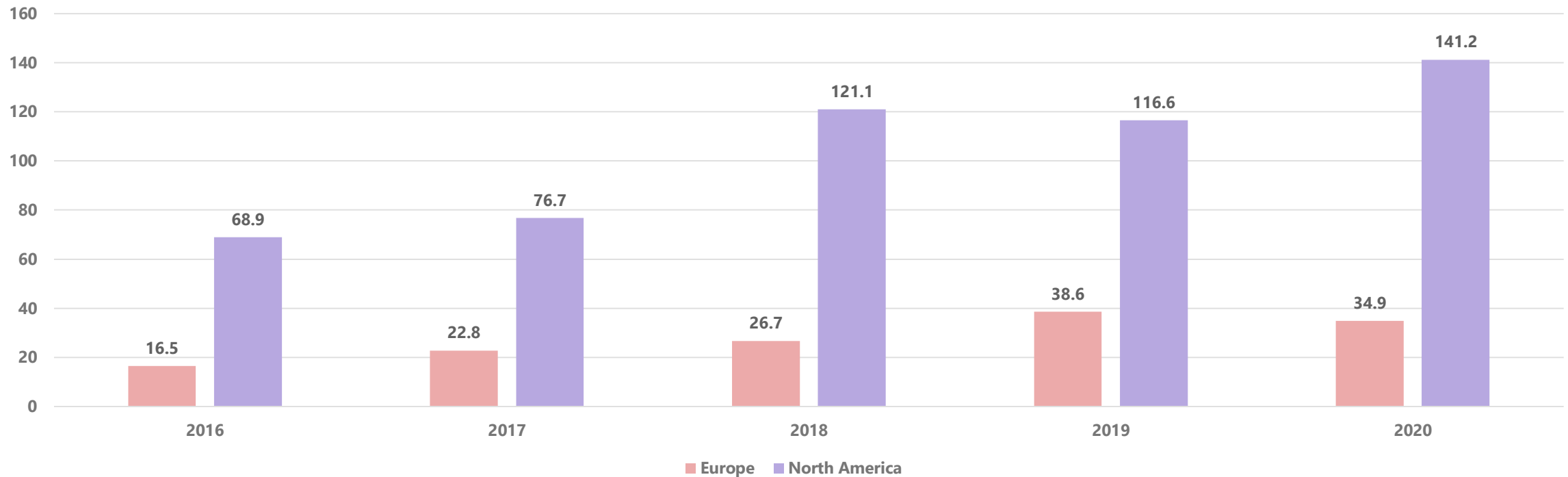
Innovation **ecosystem**

- 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

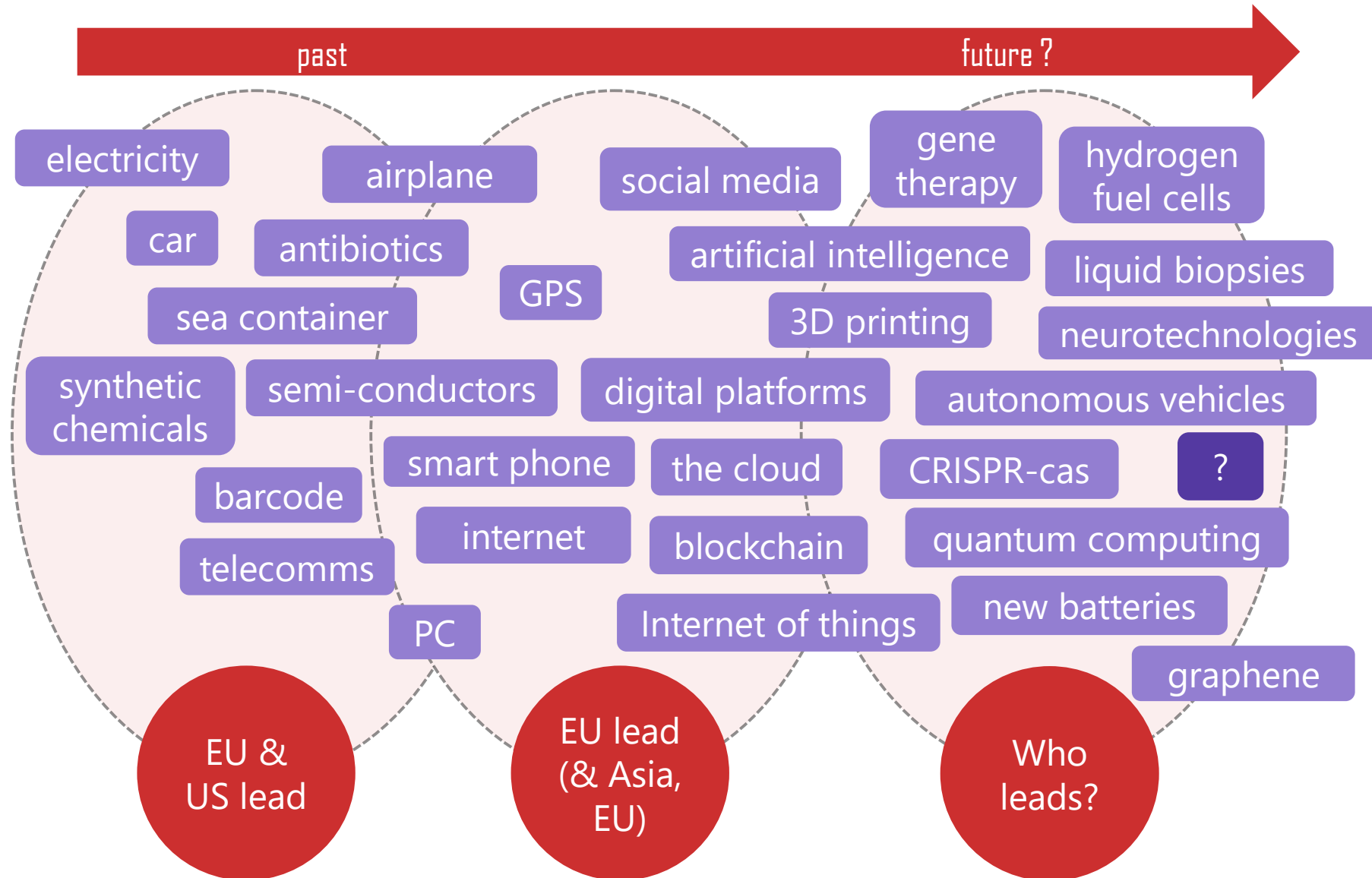
US venture capital investments are 4-5 times higher than EU

Capital invested by year (B\$)



Source: [Invest Europe, Pitchbook]

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



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



Impacts of EIC pilot (including SME instrument)



Growing support to Startups & SMEs

- **5700** supported since 2014
- **293** supported in enhanced pilot (Oct 2019- Oct 2020)
- **159** awarded blended finance with ~€700 million equity
- Increase in startups with female CEOs



Crowding in other investors:

- **€5.3 billion** follow up investments to EIC supported companies
- EIC Fund investment decisions in over 50 companies
- **1 unicorn** - Cellink; value €1billion+
- **43 centaurs** - value €100million+



90% addressing Sustainable Development Goals

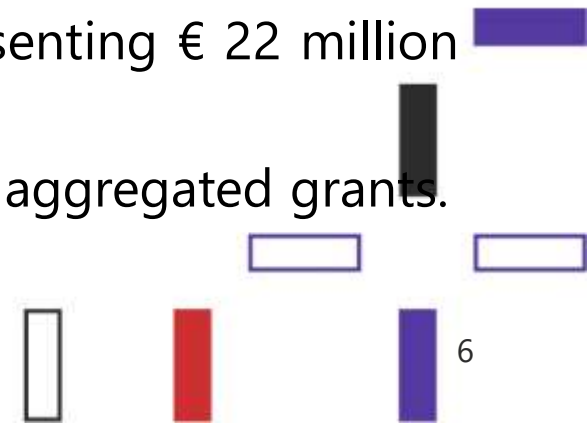
Main thematic in:

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



Italian participation in the EIC Pilot (1/3)

- In terms of obtaining EIC funding over the period 2014 - mid 2020, in € per capita, **Italy ranks sixteenth among Member States**, with 5.5.
- **701 Italian start-ups & SMEs** were awarded funding worth € 197 million in the SME instrument / EIC Accelerator pilot under Horizon 2020 (2014-2020).
- Over the 5 last EIC Accelerator calls for proposals (October 2019 – December 2020), **8 Italian start-ups and SMEs were selected** for a proposed total funding of € 25.5 million.
 - 6 of them were selected under the **blended finance option**, representing € 22 million of total proposed funding;
 - 2 were selected under the **grant-only option**, worth € 3.5 million of aggregated grants.





Italian participation to the EIC pilot (2/3)

- Italian projects are relating to various technological fields, however often in relation with production processes. The six blended finance projects selected under the EIC Accelerator are:
 - ✓ **BrainControl** (Improvement of social inclusion & quality of life of paralytics – € 0.7 M grant + € 1.8 M proposed equity);
 - ✓ **Origin** (Less polluting tissues production – € 2 M grant + € 5 M proposed equity);
 - ✓ **Glazetile** (New glazing process for the ceramic industry – € 1.4 M grant + € 1 M proposed equity – *Green Deal*);
 - ✓ **PPB** (New machinery for the polishing of bottles with the use of little water – € 0.6 M grant + € 1.4 proposed equity – *Green Deal*);
 - ✓ **TOMAPAIN** (High performance bio resin obtained from industrial tomato processing by-products - € 2.1 M grant + € 1 proposed equity – *Green Deal*);
 - ✓ **DazePlug** (Autonomous charging system for Electric Vehicles - € 2.5 M grant + € 2.5 proposed equity – *Green Deal*).



Italian participation to the EIC pilot - Pathfinder (3/3)

➤ Under the EIC Pathfinder pilot:

- ✓ Italian participants were part of 3.180 proposals out of all 6.882 submissions (rate of presence in the proposals 46.21%, the highest among Member States) with 5.459 participations (1.233 as Coordinator and 4.226 as Partner);
- ✓ They took part of 211 out of all 513 funded projects (quote of 41%);
- ✓ There is a total of 388 participations from Italy in the funded projects, with 85 roles as Coordinator and 303 as Partner in the consortium;
- ✓ The success rate for the participation in the funded grants is 6.64% (average success rate: 7.45%);
- ✓ The total received budget for Italy amounts to € 174.6 million, out of the total of € 1.5 billion (11.69%).



Part of the Innovative Europe pillar of Horizon Europe



European Innovation Council

- Support to innovations with breakthrough and market creating potential

€10.1 billion

European innovation ecosystems

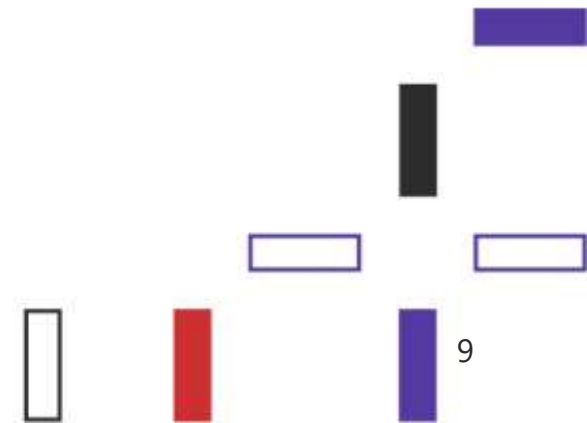
- Connecting with regional and national innovation actors

€520 million

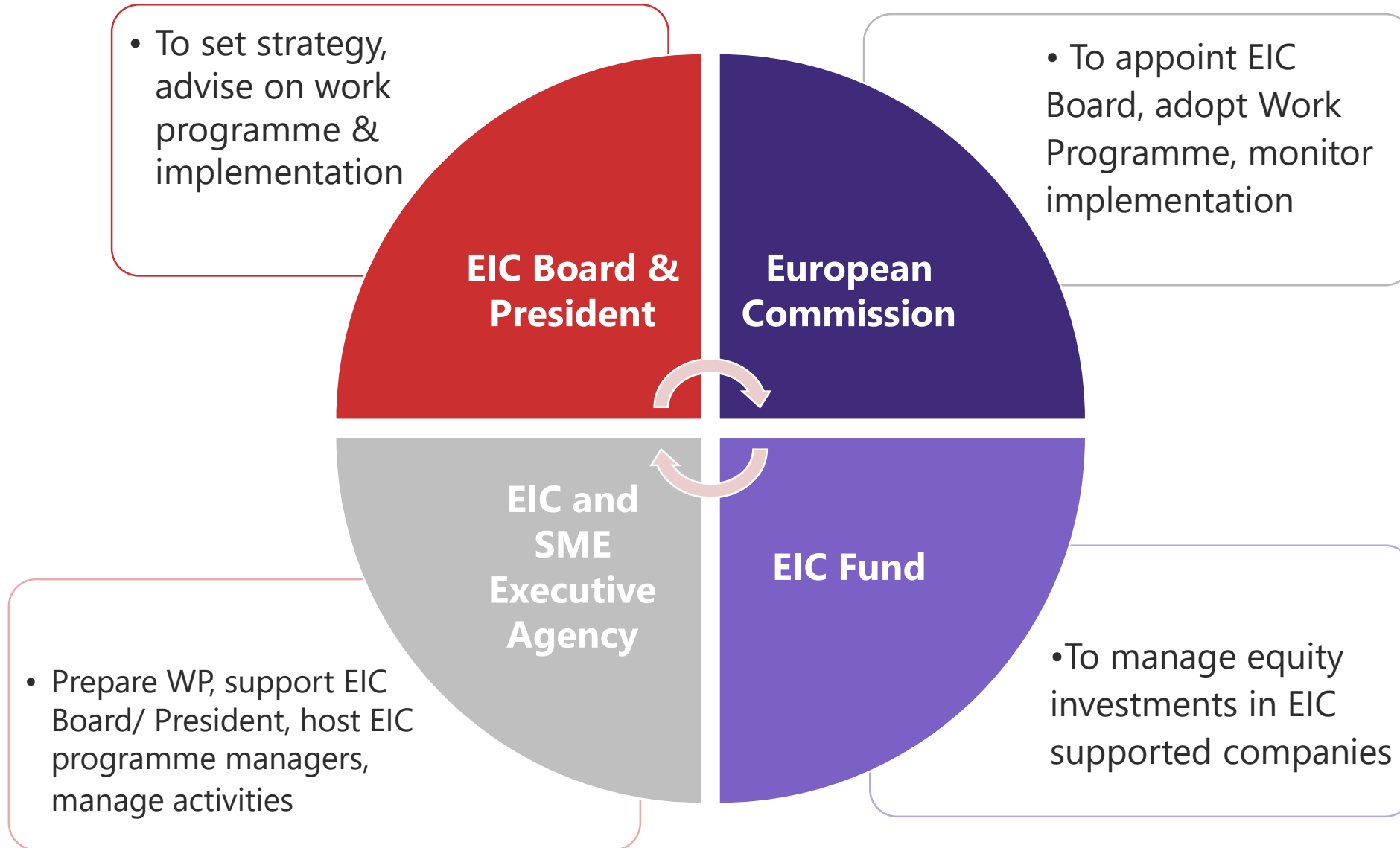
European Institute of Innovation and Technology (EIT)

- Bringing key actors (research, education and business) together around a common goal for nurturing innovation

€2.9 billion



EIC Governance



What's different about the EIC?



A "European DARPA"

- Focus on disruptive, high risk breakthrough technologies
- EIC "Programme Managers" to develop visions, proactively manage projects, steer portfolios (based on experience of US DARPA, ARPA-E, BARDA, etc)
- Flexible follow up funding ("Transition") to create business opportunities out of research results.

A European "Unicorn Factory"

- Focus on high risk, disruptive startups & SMEs with scale up potential
- Innovator friendly: apply at any time with a short pitch (video pitch, slide deck, 5 page form)
- EIC Fund set to become largest early stage VC investor in Europe, crowding in other investors.

An upgraded European Innovation Community

- New EIC Forum bringing together innovation ecosystem actors from across Europe
- Horizon Europe "innovation ecosystems" programme to support networking and joint initiatives between ecosystem actors
- Partnerships with European Institute of Innovation & Technology (EIT), European Research Council (ERC) and others.

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

- Mission to **identify, develop and deploy high risk innovations** of all kinds
- Focus on **breakthrough, market-creating, deep-tech**
- 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
- **Follow up funding for results from Horizon** (ERC, EIT, collaborative) & national programmes



EIC Work Programme for 2021 : key novelties

■ EIC Pathfinder

- Programme managers to steer portfolios of projects
- Additional 50k follow up grants to test feasibility and interact across portfolios.

■ EIC Transition

- New funding scheme to bridge gap between research phase (proof of concept) and pre-commercial
- In first phase, for follow up to results from EIC Pathfinder and ERC Proof of Concept.

■ EIC Accelerator

- Mainly blended finance (grant + investment), but options for “grant only” and “grant first” (with investment follow up)
- Faster investment decisions by EIC Fund with clearer terms (investment guidelines).



EIC Work Programme for 2021 : Key novelties

■ Innovator friendly application process

- Apply at any time with short (5 page) form, video pitch and slide-deck => feedback within 4 weeks
- Support from AI platform and coaching to prepare full application/ business plan
- Second chance to apply if unsuccessful.

■ Reinforced “Seal of Excellence”

- To receive Seal of Excellence, applicant assessed for excellence & impact by remote evaluators & juries
- Seal of Excellence companies to benefit from EIC coaching, events, support to find other funding.



Main EIC calls in 2021



Accelerator - Open	Apply any time (early stage screening)	~€593m (~50:50 grant/equity)
Accelerator – Challenges <ul style="list-style-type: none"> • Green Deal innovations for the economic recovery • Strategic technologies: digital & health 	Cutoffs for full applications in 9 June, 6 October	~€495m (~50:50 grant/equity)
Pathfinder - Open		19 May
Pathfinder - Challenges <ul style="list-style-type: none"> • Awareness inside • Measure & stimulate brain • Cell & gene therapies • Green Hydrogen • Engineered Living Materials 	27 October	~€132m
Transition – Open	22 September	~€60m
Transition – Challenges <ul style="list-style-type: none"> • Medtech & devices • Energy harvesting & storage 		~€40m



Thank you!

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