

The European Innovation Council

# Backing visionary entrepreneurs

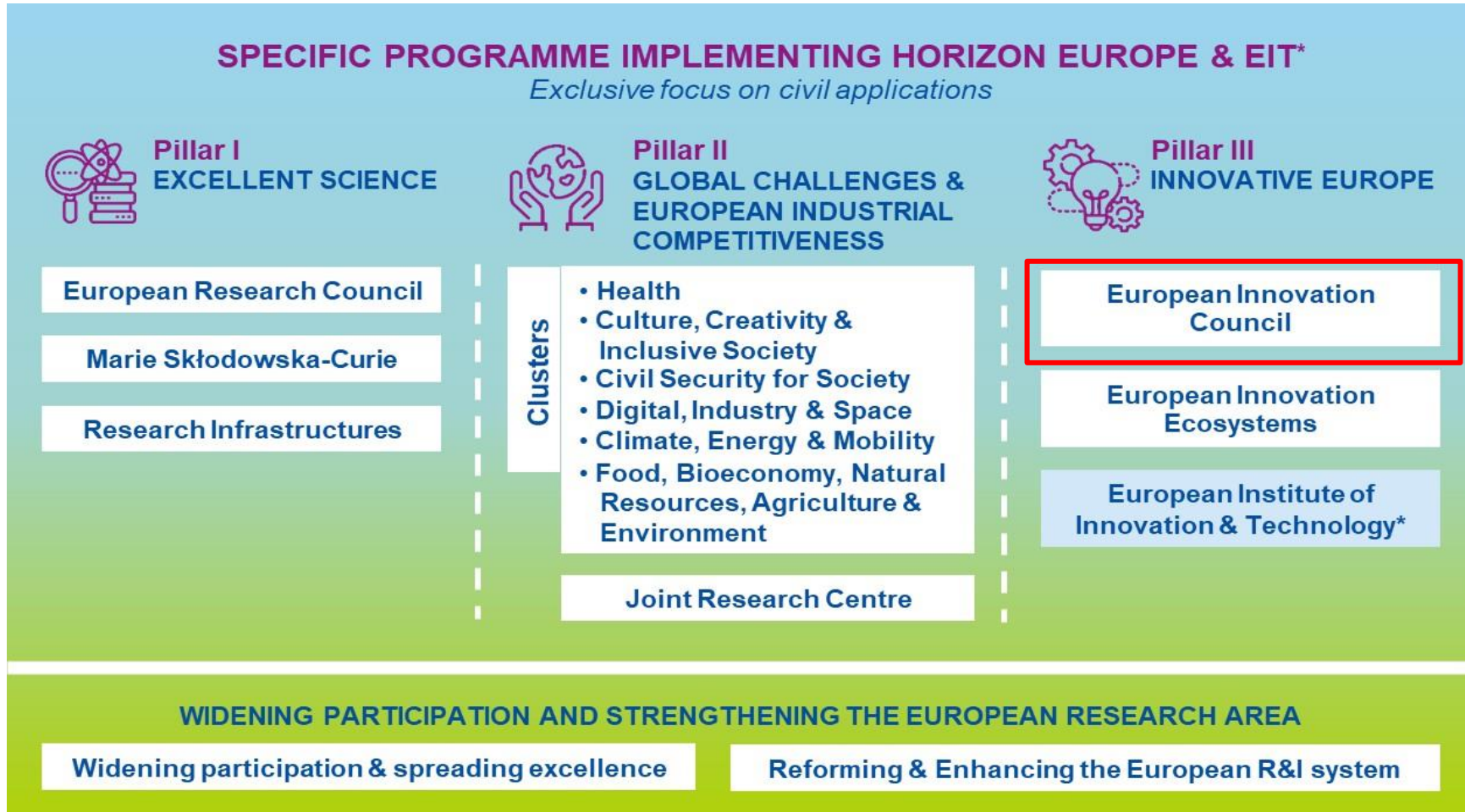
Charalambos Papatryfonos  
European Innovation Council NCP  
Research and Innovation Foundation  
Cyprus

8 June 2021

European  
Innovation  
Council



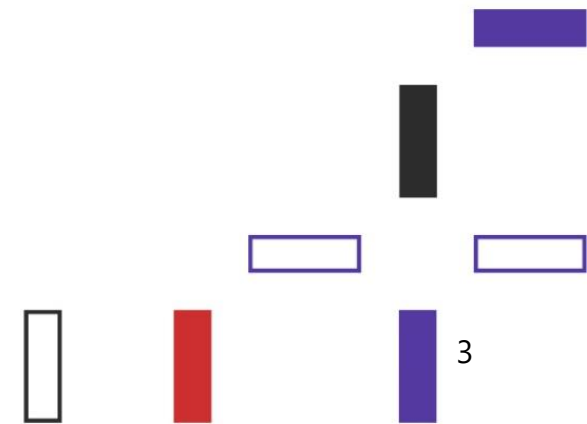
# Horizon Europe Structure





# Europe's most ambitious innovation initiative

- ✓ **Budget of €10.1 billion (2021-27)**
- ✓ Mission to **identify, develop and scaleup high risk innovations**, with particular focus on disruptive, deeptech and market creating
- ✓ **“One stop shop” for high potential innovators**: advanced research programme + accelerator, providing grants & equity
- ✓ **Pro-active management with EIC “Programme Managers”** to develop visions for breakthroughs and steer portfolios





# Responding to back Europe's innovation barriers?

## Innovation performance

- **Strong research performance** not translated into innovation
- **Lack of breakthrough/ disruptive innovations** that create new markets

## Innovation funding

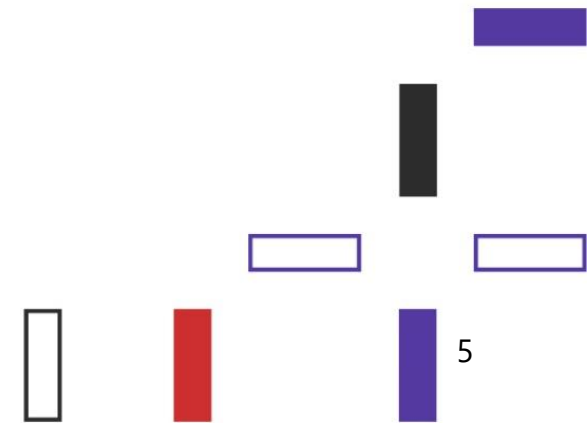
- Financing gaps (2 “valleys of death”) in
- **Transition** from lab to enterprise
  - **Scaling up** for high-risk innovative start-ups

## Innovation ecosystem

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



# The EIC in Horizon Europe





# 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)
- **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 main funding opportunities in 2021

<b>Accelerator - Open</b>	Apply any time (early stage screening)	<b>~€593m</b> (~50:50 grant/equity)
<b>Accelerator – Challenges</b>	Cutoffs for full applications in 16 June, 06 October	<b>~€495m</b> (~50:50 grant/equity)
<ul style="list-style-type: none"> <li>• Green Deal innovations for the economic recovery</li> <li>• Strategic technologies: digital &amp; health</li> </ul>		
<b>Pathfinder - Open</b>	19 May	<b>~€168m</b>
<b>Pathfinder - Challenges</b>	27 October	<b>~€132m</b>
<ul style="list-style-type: none"> <li>• Awareness inside</li> <li>• Measure &amp; stimulate brain</li> <li>• Cell &amp; gene therapies</li> <li>• Green Hydrogen</li> <li>• Engineered Living Materials</li> </ul>		
<b>Transition – Open</b>	22 September	<b>~€60m</b>
<b>Transition – Challenges</b>		<b>~€40m</b>
<ul style="list-style-type: none"> <li>• Medtech &amp; devices</li> <li>• Energy harvesting &amp; storage</li> </ul>		



# EIC Pathfinder

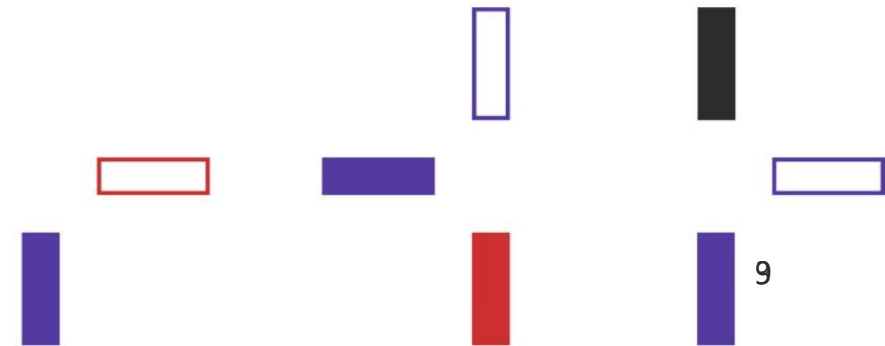
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## What is the EIC Pathfinder?

The EIC Pathfinder programme funds **research to develop the scientific basis** to underpin **breakthrough technologies.**



## Funding schemes

- **EIC Pathfinder Open**  bottom-up approach with no predefined topics
- **EIC Pathfinder Challenges**  top-down challenge-driven calls for tackling specific technology breakthroughs by portfolios of projects

## ► Why should you apply?

- You should apply if you are looking for support from EIC Pathfinder Open to realise **an ambitious vision for radically new technology, with potential to create new markets and/or to address global challenges.**
- EIC Pathfinder Open supports **early stage development of such future technologies** (e.g. various activities at low **Technology Readiness Levels 1-4**), based on high-risk/high-gain science-towards-technology breakthrough research (including 'deep-tech').
- This research must provide the **foundations of the technology** you are envisioning.

## ▶ Gatekeepers

Collaborative, interdisciplinary research, meeting the following Gatekeepers:

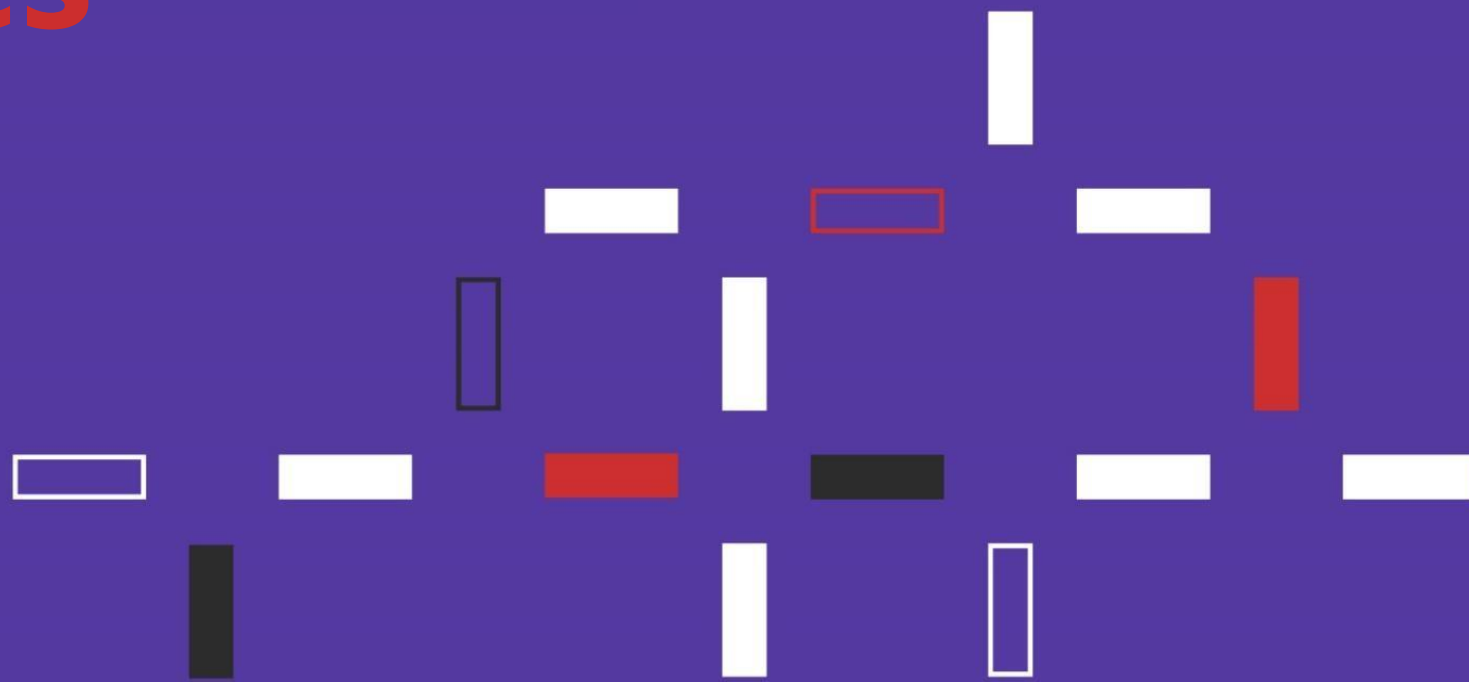
- **convincing, long-term vision of a radically new technology** that has the potential to have a transformative positive effect to our economy and society;
- **concrete, novel and ambitious science-towards-technology breakthrough**, providing advancement towards the envisioned technology;
- **high-risk & high-gain research approach & methodology**, with concrete and plausible objectives.

## ► Call 2021 – Summary table

	<b>Pathfinder Open</b>
<b>Total budget</b>	€168 million
<b>Proposals (indicative)</b>	Up to €3/4 million
<b>Funding rate</b>	100% of eligible costs
<b>Deadline</b>	19 May 2021 at 17.00 CET
<b>Length of proposal</b>	17-page proposal – part B
<b>Applicants</b>	Consortia: Min. 3 partners from 3 different MS/AC (of which at least 1 partner in a MS)



# EIC Pathfinder Challenges



## ► What is it?

**EIC Pathfinder Challenges** aim to **build on new, cutting-edge directions in science and technology** to disrupt a field and a market or create new opportunities **by realising innovative technological solutions** grounded in high-risk/high-gain research and development.

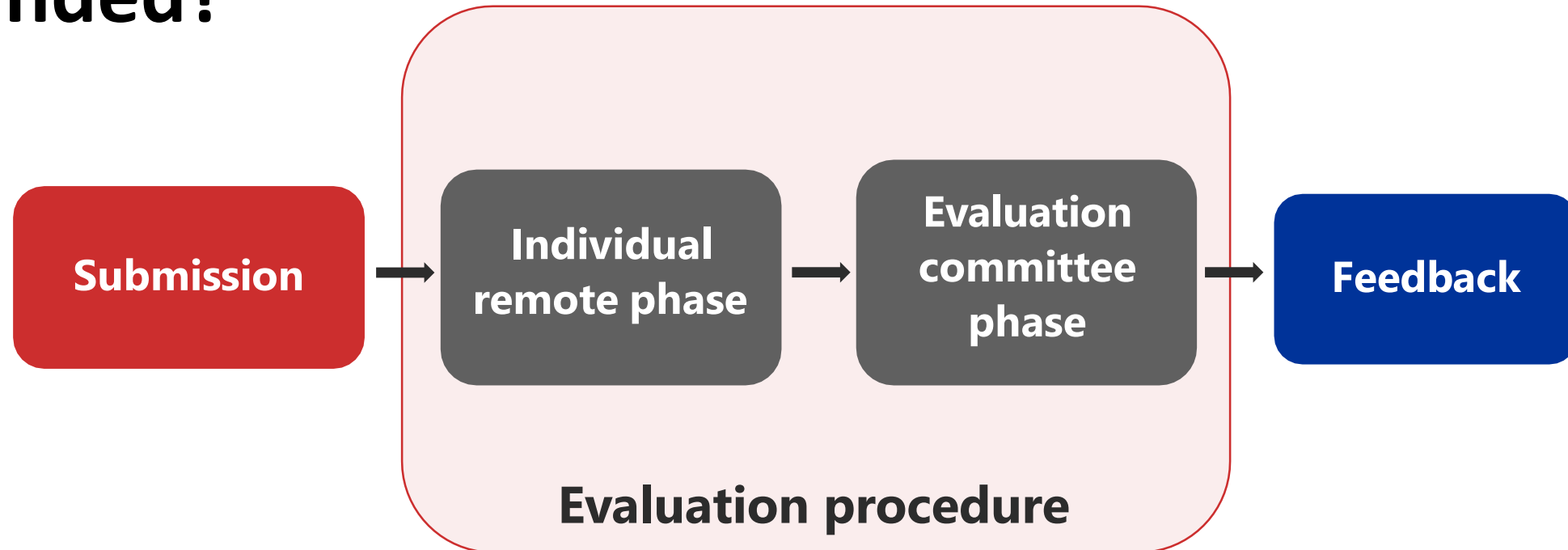
## ► Challenges for 2021

1. Awareness inside
2. Tools to measure & stimulate activity in brain tissue
3. Emerging Technologies in Cell & Gene Therapy
4. Novel routes to green hydrogen production
5. Engineered living materials

## ► Call 2021 – Summary table

	Pathfinder Challenges
<b>Total budget</b>	€132 million
<b>Proposals (indicative)</b>	Up to €4 million
<b>Funding rate</b>	100% of eligible costs
<b>Opening</b>	15 June 2021
<b>Deadline</b>	27 October 2021 at 17.00 CET
<b>Length of proposal</b>	25-page proposal – part B
<b>Applicants</b>	<ol style="list-style-type: none"> <li>1. Single legal entities in a MS/AC (conditions apply)</li> <li>2. Consortia:               <ul style="list-style-type: none"> <li>- If 2 partners: from different MS/AC, otherwise</li> <li>- Min. 3 partners from 3 different MS/AC (of which at least 1 partner in a MS)</li> </ul> </li> </ol> (unless differently stated in the Challenge chapter)

## ▶ How does the EIC decide if your proposal will be funded?

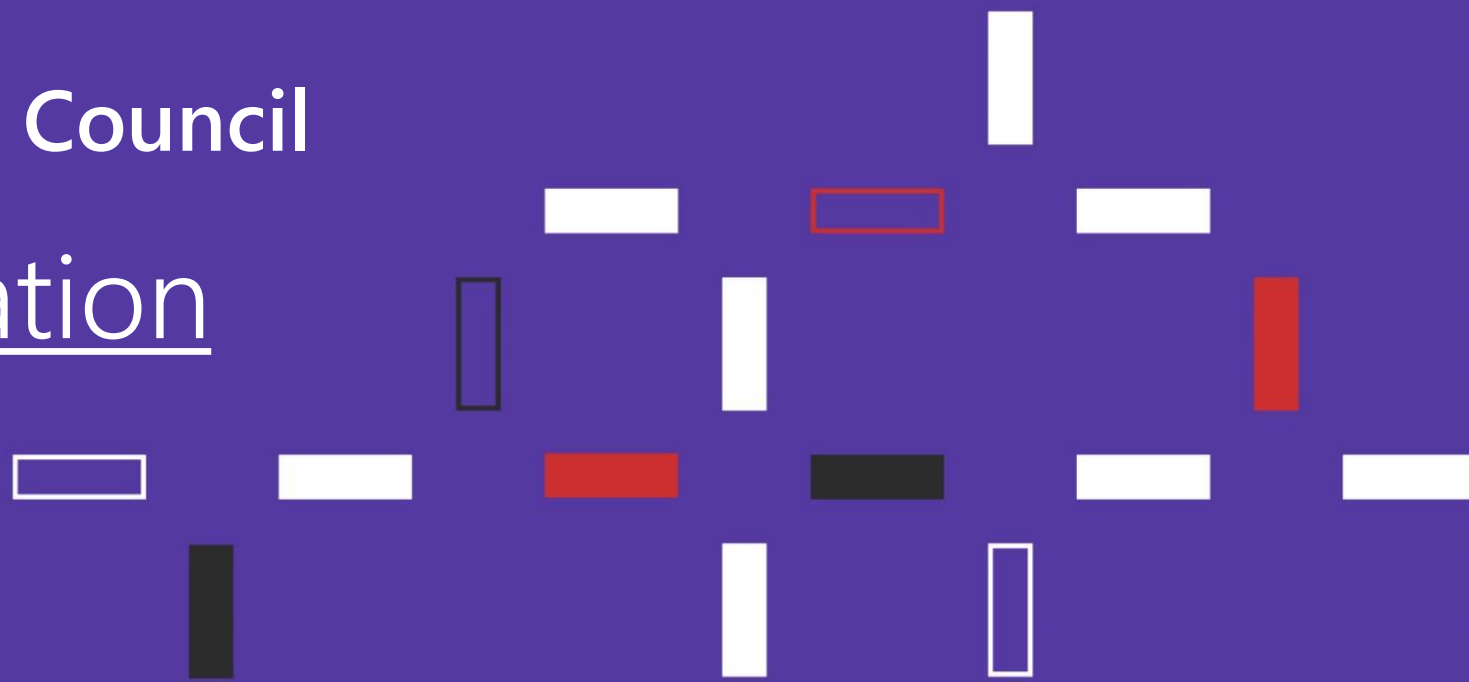




# Backing visionary entrepreneurs

The European Innovation Council

Transition to Innovation





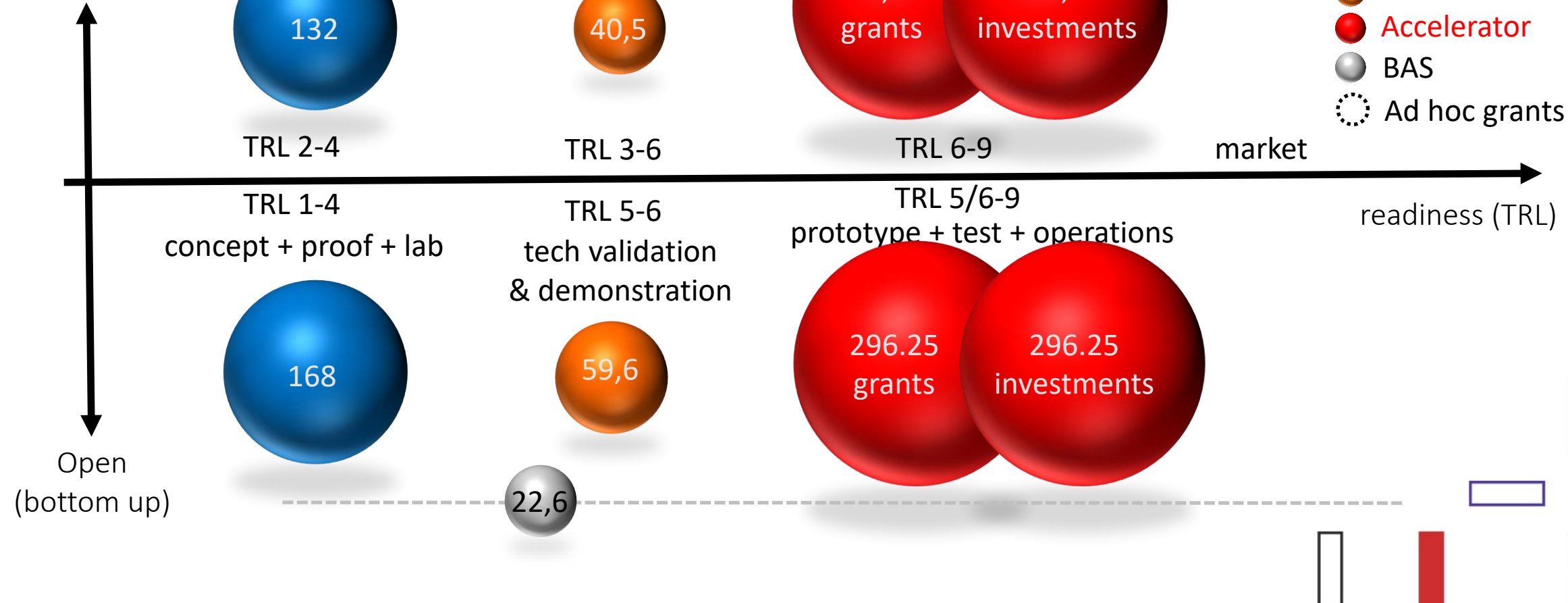
# Can you apply?

- > Restricted to applications based on results generated by projects:
  - **H2020 FET schemes (Open, Proactive, Flagships) & EIC pilot - Pathfinder**
  - **Co-funding programmes supported by H2020 FET (CHISTERA, QUANTERA, FLAGERA)**
  - **European Research Council (ERC) Proof of Concept projects**
- > Project ended after **22 Sep 2019** OR project started before **22 Sep 2020**
- > Researchers, members of initial projects AND/OR new entrepreneurs, venture builders, SMEs, Spinoffs, corporates (**needs IPR or necessary rights**)
- > Single beneficiary (from MS/AC, not large companies) or small consortium (2-5 beneficiaries)



# EIC 2021 Main Calls Overview (policy – readiness)

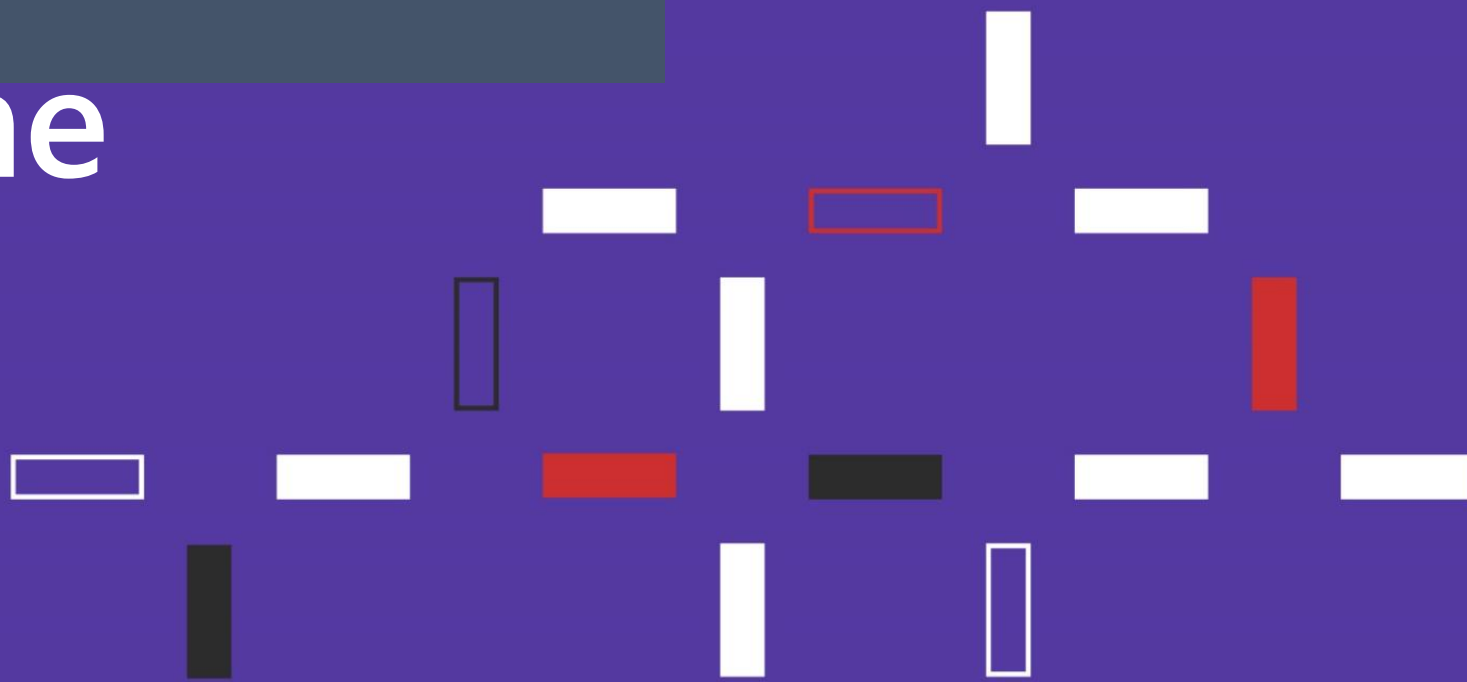
Challenges (top down)



- Pathfinder
- Transition
- Accelerator
- BAS
- Ad hoc grants



# The new EIC Accelerator Programme





# 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 for EIC Accelerator funding?

## MONOBENEFICIARY

**SME** (max 250 employees,  
not subsidiary/majority  
owned by large company)

**Exceptions for small mid-caps** (up to 500 employees) –  
for rapid scale up and  
investment component only

**Natural person(s)** willing to  
set up SME

**TRL 5/6** or above



# What support can you receive?

## 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.





## 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
- maximum 25% of the voting shares of the company
- “patient capital” principle (7-10 years perspective on average).





# Open Call

vs

# Challenges

Innovations in **any field** of technology and innovations that cut across different scientific, technological, sectoral and application fields or represent novel combinations.

Challenges take into account EU priorities for transitioning to a green, digital and healthy society. Priorities for 2021 are:

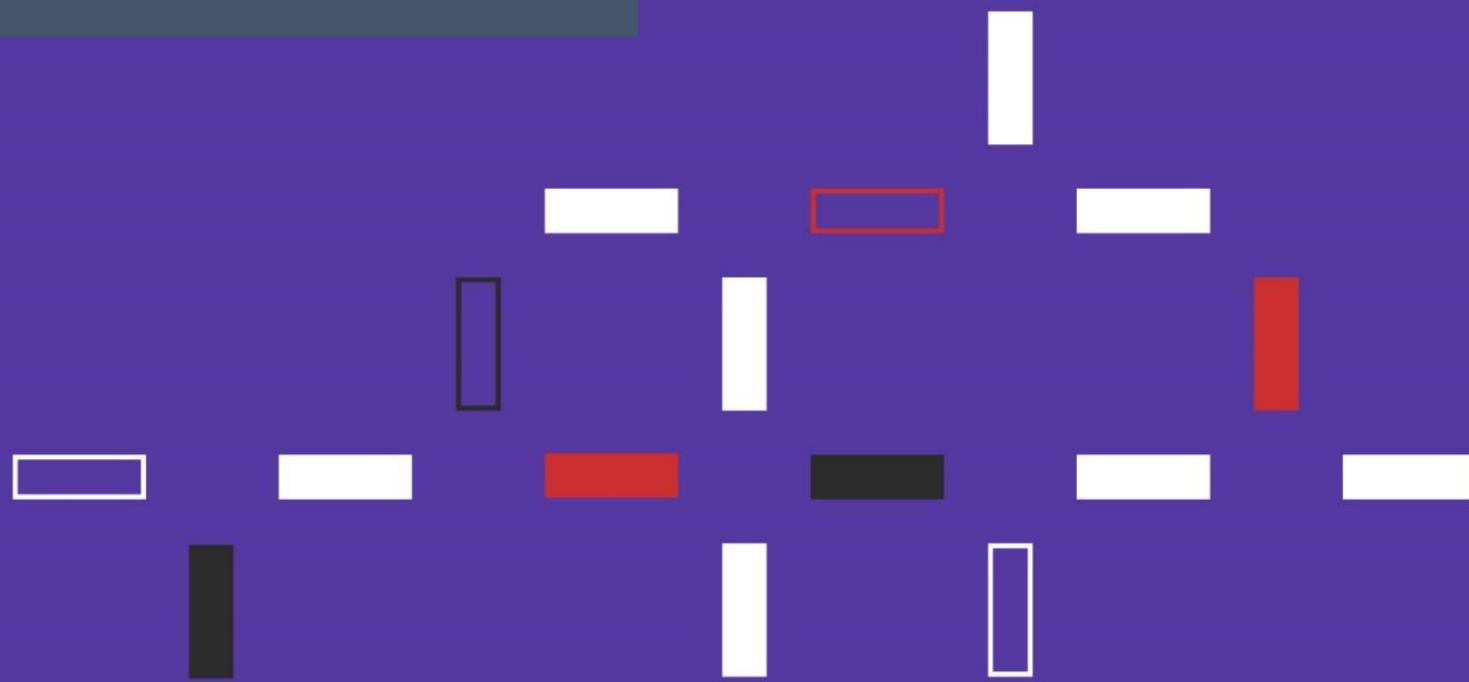
➔ **Strategic Digital and Health Technologies**

➔ **Green Deal innovations for the Economic Recovery**





# EIC Fund





# The Fund

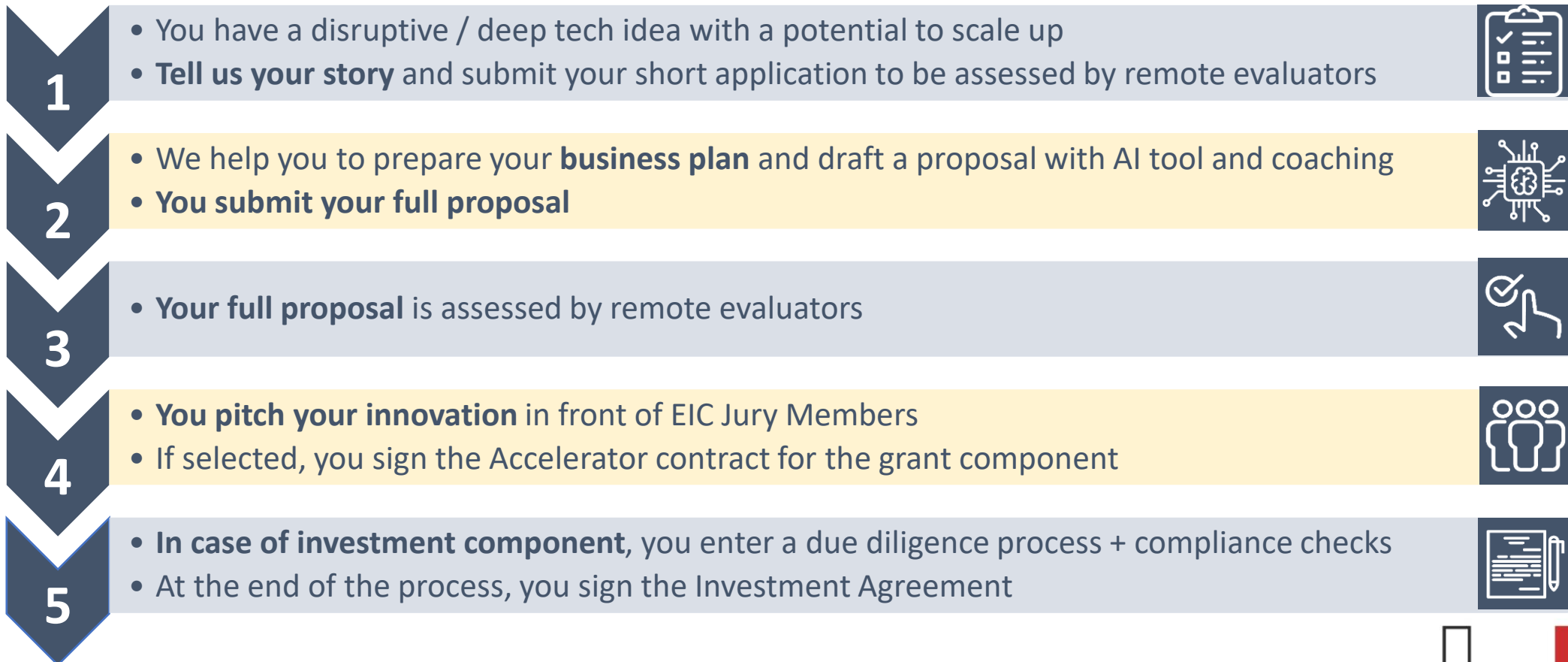
- > The EIC Fund **is a venture capital fund** established in **June 2020**.
- > **The European Commission is the shareholder.**
- > The EIC Fund will **manage the investment component** for proposals retained for either blended or investment-only support.
- > The EIC Fund aims to **crowd in other investors**, further sharing risks.
- > The EIC Fund invests at **early stage** (seed, start-up, scale-up) from €0.5 to 15 million.
- > The Fund may reserve **follow-on capital** to invest in subsequent series.







# The evaluation step by step



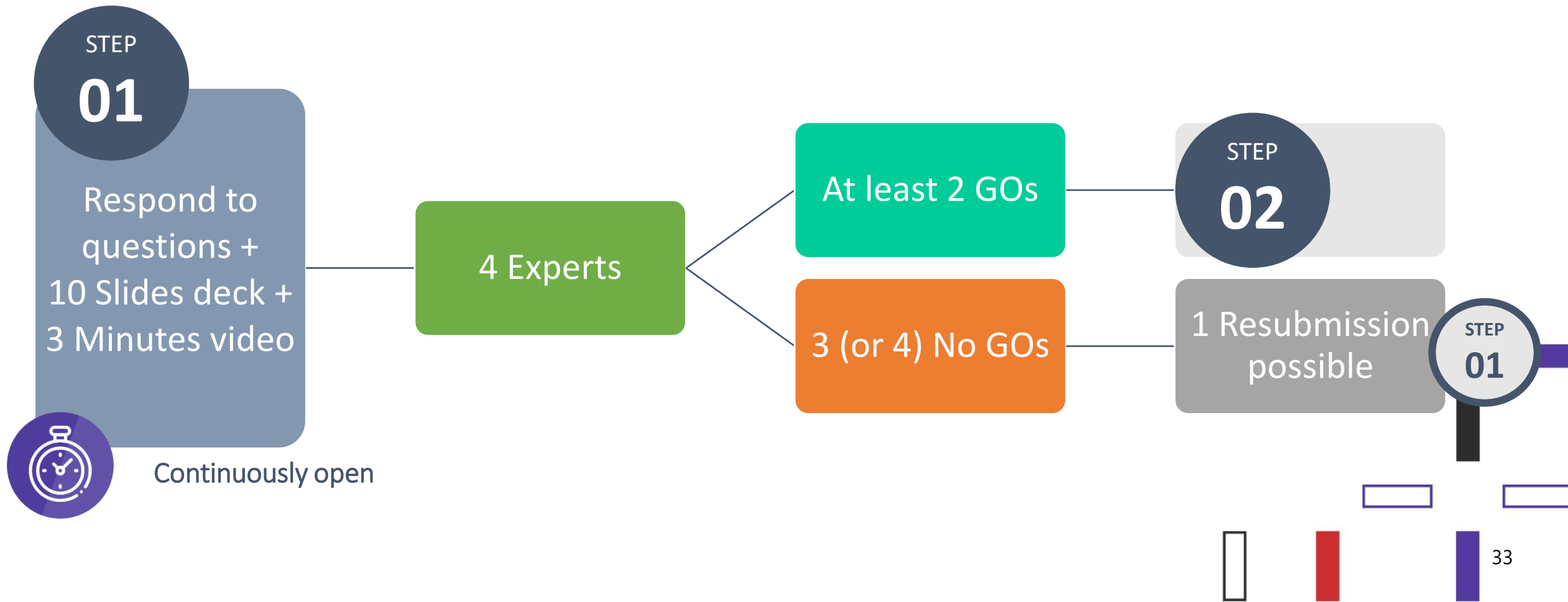
# Short application: your idea

STEP

01

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

# Short application: evaluation process



## ► Full proposal: your business plan

STEP

02

- Choose the open call or a challenge
- 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

STEP

02

Prepare your  
business plan with  
the AI tool and a  
coach + Submit a  
proposal

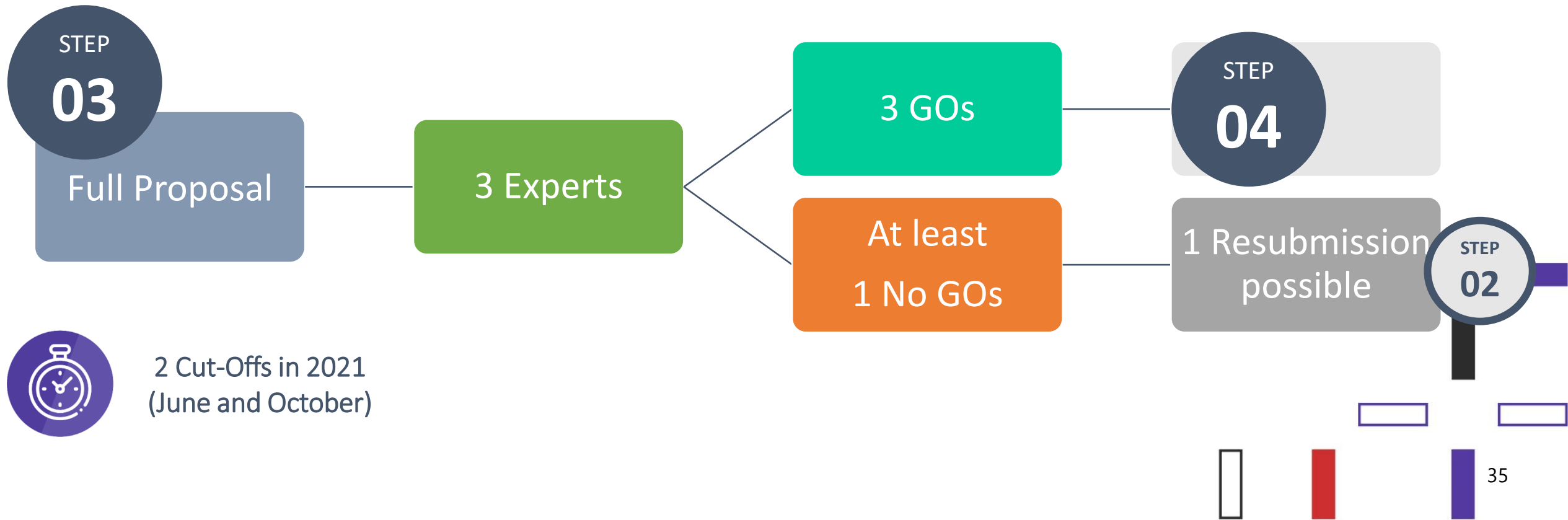
STEP

03

Continuously open



# Full proposal: remote evaluation process



2 Cut-Offs in 2021  
(June and October)

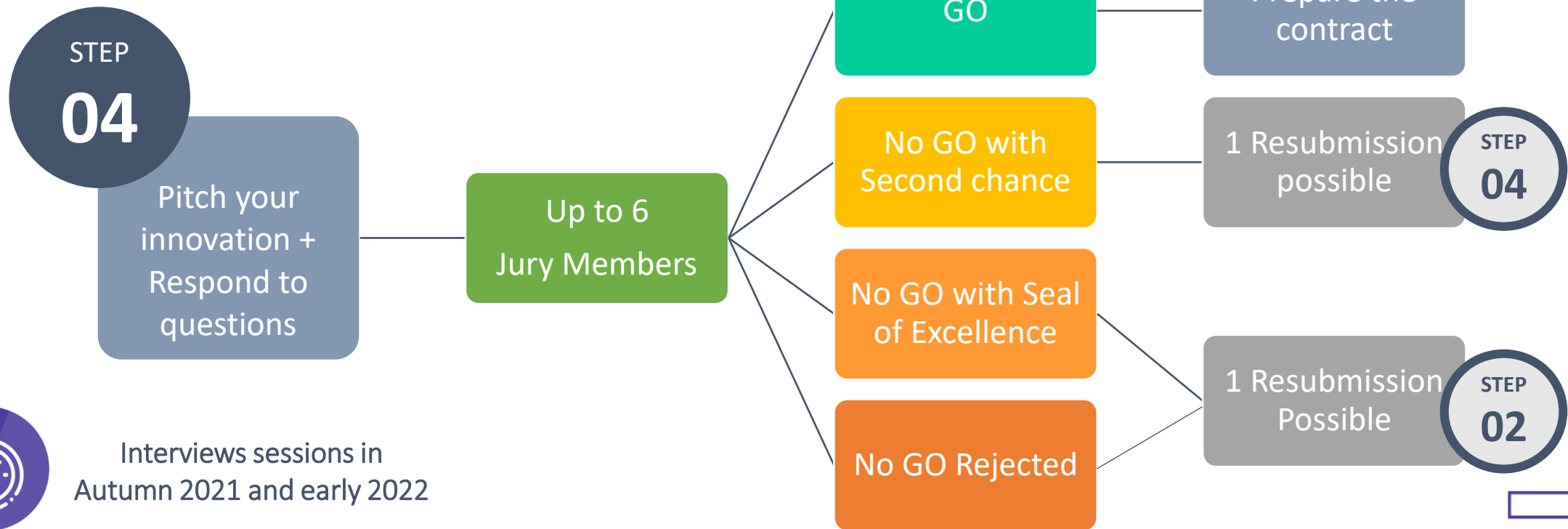
## ▶ Interview: pitch your innovation

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



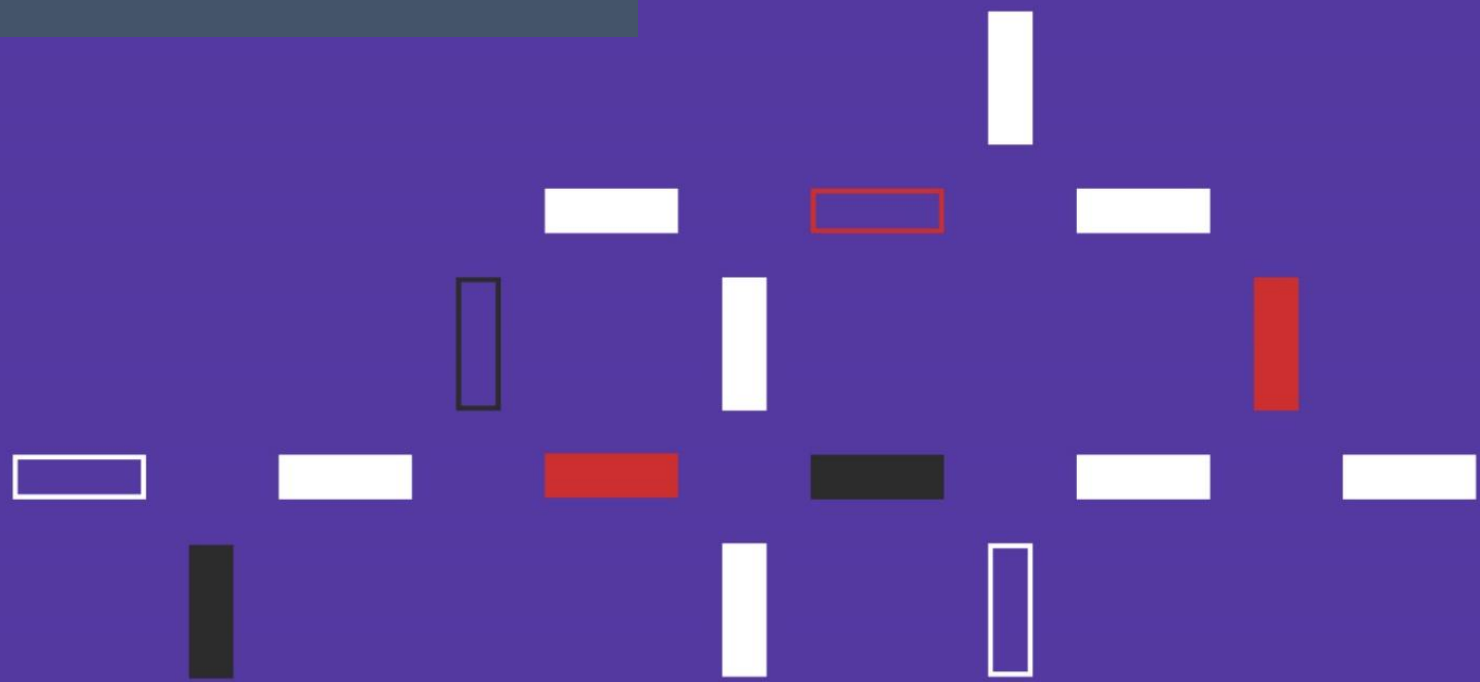
Interviews sessions in Autumn 2021 and early 2022

## ▶ Seal of Excellence

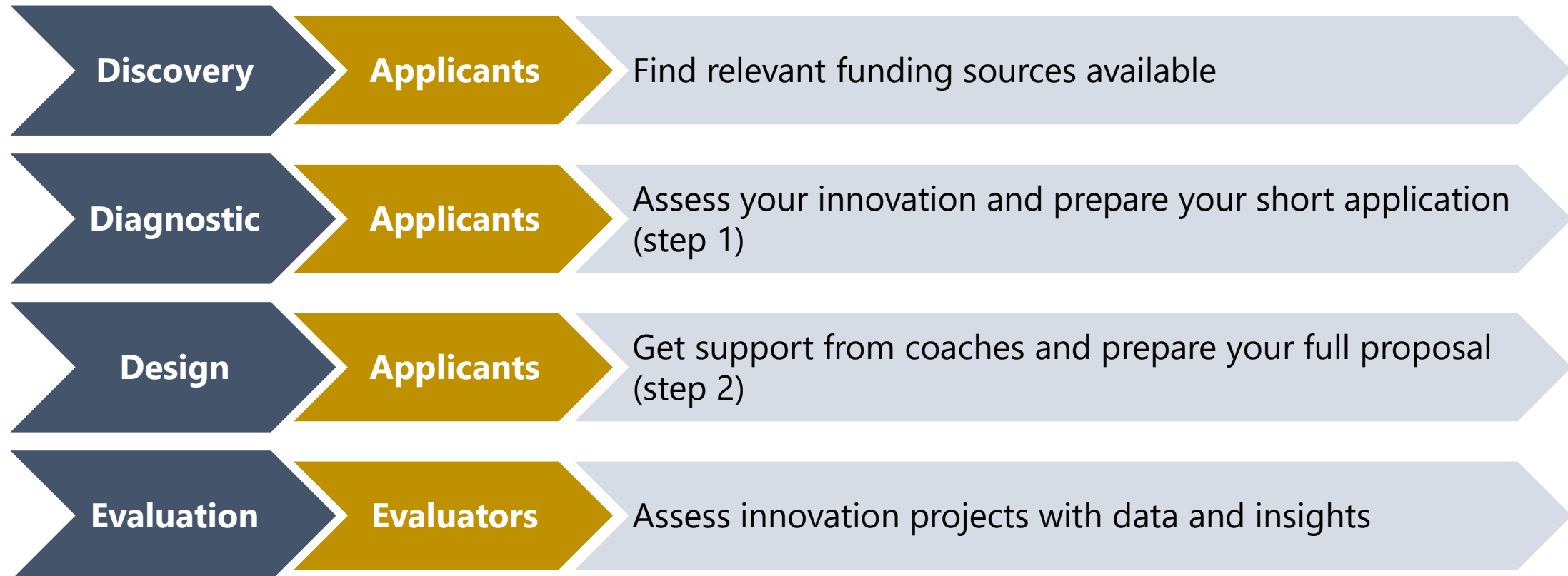
- > Awarded to applicants with GO on all criteria at remote evaluation and GO on “excellence” and “impact” by the jury
- > Seal of Excellence companies receive access to EIC Business Acceleration Services
- > Seal of Excellence companies receive support from Enterprise Europe Network to secure other funding
- > To be eligible for Seal of Excellence, applicants must give consent to share basic data to other funding & support bodies



# The AI-based platform

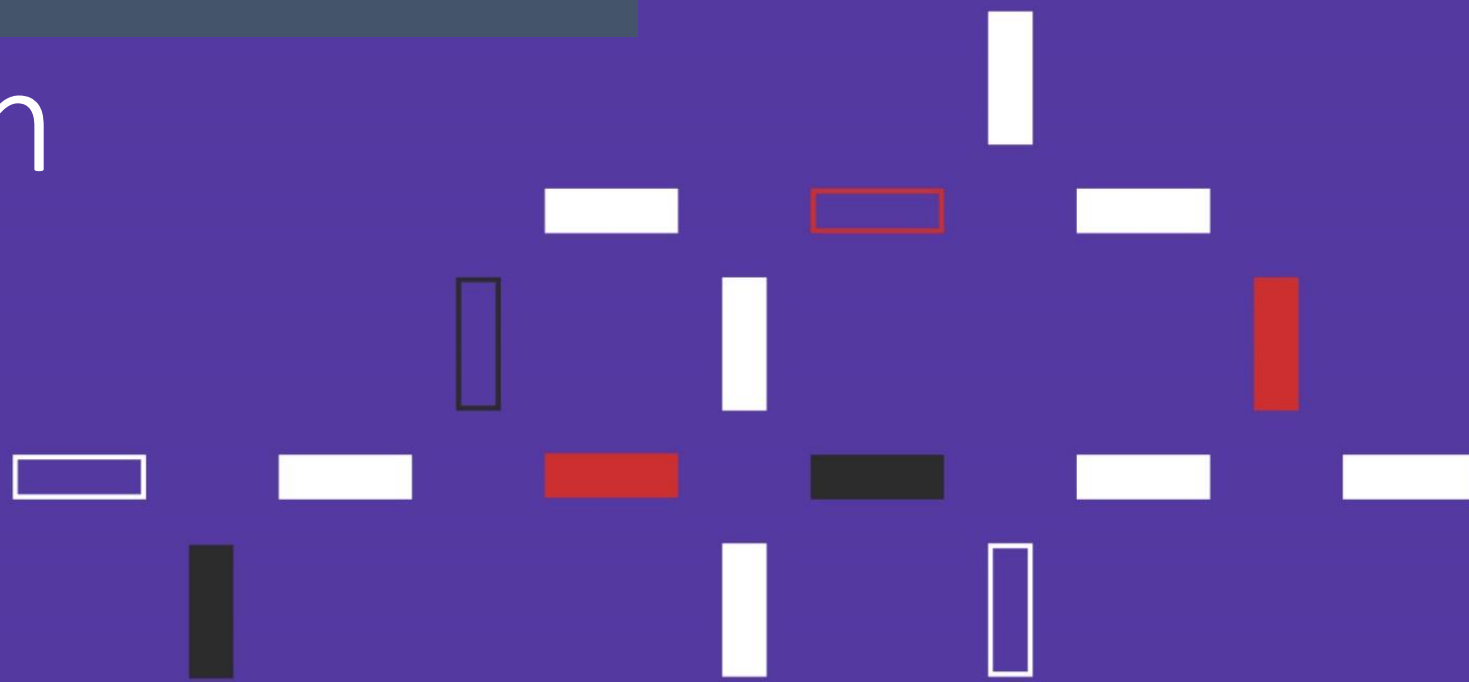


## ▶ A tool for both Applicants and Evaluators





# The Business Acceleration Services



## ▶ **Tailor-made services for all EIC beneficiaries**

### **Access to advise**

- Coaching, mentoring, expertise and training

### **Access to business partners**

- Corporates, investors, distributors, innovation procurers, clients & more

### **Access to innovation ecosystems & peers**

- EIT KICs, incubators, accelerators, innovation agencies, associations, stock exchanges, EEN, IPR Helpdesk, EUIPO

▶ Thank you!

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