

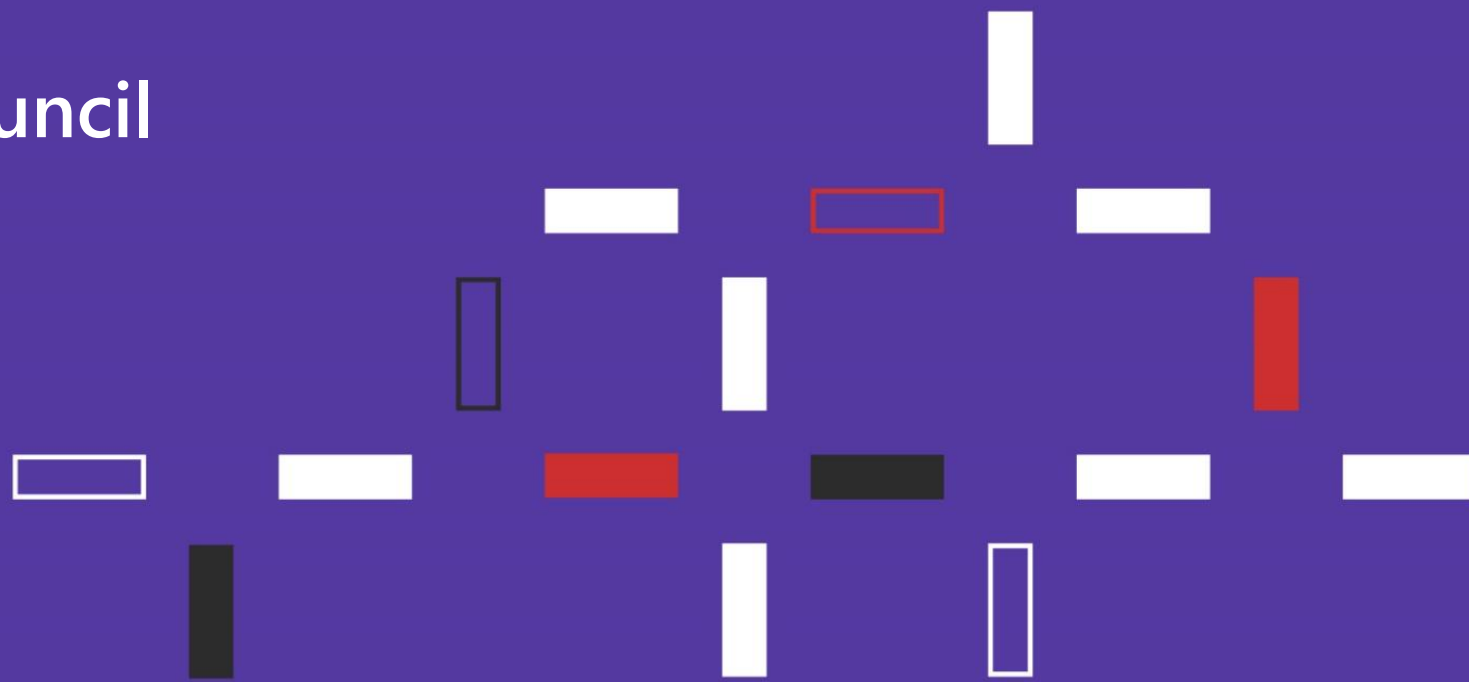


# Backing visionary entrepreneurs

The European Innovation Council  
as the investor of choice  
and the role of the EIC Fund

EIC Info Day, Istanbul, 25 October 2023

Keith Sequeira, Head of Unit, DG RTD



# What makes *EIC UNIQUE*?



## 01. A European DARPA

- **Focus on disruptive** high risk breakthrough technologies
- **Innovator friendly:** flexibility to apply at any time with a short pitch (video pitch, slide deck, 5-page form)
- **EIC “Program Managers”** to develop visions, proactively manage projects, steer portfolios (based on experience of US DARPA, ARPA-E, BARDA, etc.)

## 02. EU Unicorn Factory

- **Focus on high risk,** disruptive startup & SMEs with scale up potential
- **EIC Fund set to become largest early stage** VC investor in Europe, crowding in other investors.
- **Flexible follow up funding** (“Transition”) to create business opportunities out of research results.

## 03. An upgraded Innovation Community

- **EIC Community** a box full of exciting business acceleration services and an extensive innovation ecosystem is waiting for EIC beneficiary
- **EIC Forum** bringing together innovation ecosystem actors from across Europe
- **Horizon Europe “innovation ecosystems” program** to support networking and joint initiatives between ecosystem actors
- **Partnerships** with European Institute of Innovation & Technology (EIT), European Research Council (ERC) and others.

### EIC PRIZES

- Women innovators
- Capital of innovation
- Innovation procurement
- Social innovation
- Horizon
- Humanitarian Innovation



### SEAL OF EXCELLENCE

Fast track to other funding



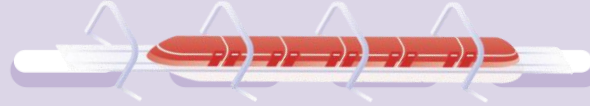
### EIC ACCELERATOR SERVICES

- Mentors, coaches
- Global partners
- Innovation ecosystems
- EIC Community Platform



### EIC ACCELERATOR

- For single companies
- Grants up to **€2.5 million**
- Equity up to **€15 million** or above
- To enter the market & scale-up (TRL 6-9)



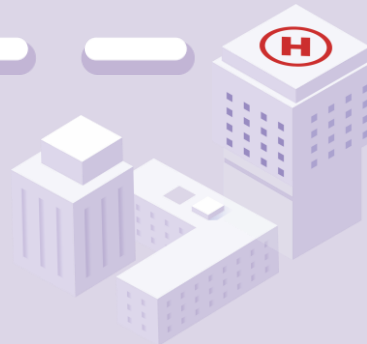
### EIC TRANSITION

- For consortia & single companies
- Grants up to **€2.5 million**
- To develop business cases (TRL 4-6)



### EIC PATHFINDER

- For consortia
- Grants up to **€4 million**
- To research technology breakthroughs (TRL 1-4)



- **Manages the EIC investment** in startups & SMEs selected by EIC Accelerator.
- The EIC Fund is a **venture capital fund** established in June 2020 by the European Commission.
- The Fund started operations under the **EIC Pilot** phase, making decisions on almost 100% of the 159 selected companies (140 approvals) and managing to sign 95 investment agreements.
- For Horizon Europe, the Commission has **restructured** the EIC Fund :
  - The main novelty is the appointment of an **external fund manager** that makes investment/divestment decisions and portfolio management.
  - The EIB is the investment **advisor** to the EIC Fund.



## 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)**



# Impact of the EIC (since 2014)

5 000 start-ups/SMEs supported; €9.6 billion follow up investments; €50 billion valuation;

12 Unicorns

**BICO**



**inform**



**nel**

**HAILO**



46

Digital & Industrial  
Centaurs

**Acast**



44

Health Centaurs



17

Green Centaurs



# Overview of the EIC Fund

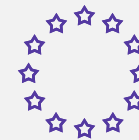
EIC Fund invests in and supports early-stage companies to scale-up!



A **€4 billion Agnostic VC fund**, established in June 2020, with a "sweet spot" for Deep Tech



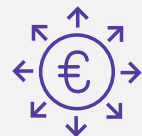
**Competitive selection process**, including a review by independent experts



The **EIB** is the **Investment Advisor** - tech due diligence performed using high quality independent experts



**Ticket size between €0.5 to €15 million** (current average €5.3 million)



**382 deals selected and 133 investment agreements signed** (direct equity investment or convertible loans)

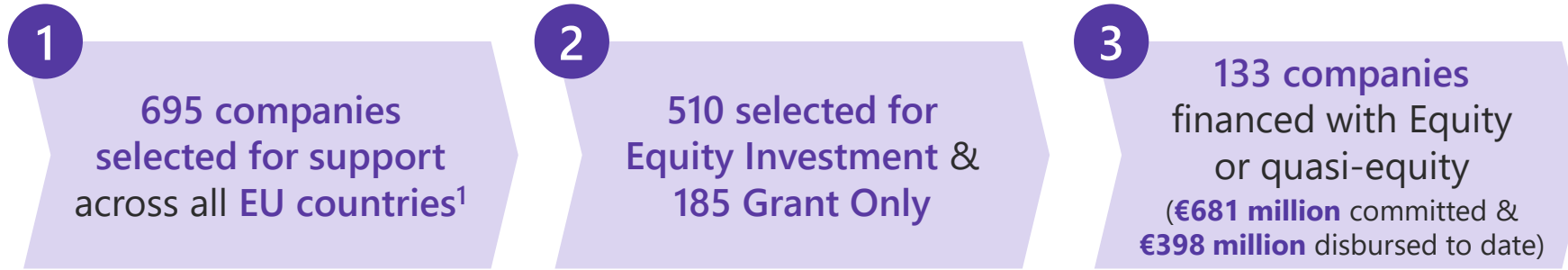


**Current multiplier effect** for equity investments is **3.14x average** of the EIC money



# Overview of Investments made

We strive to create success cases in the EU start-up ecosystem



Examples of invested companies

iTheraMedical



wattalps®

TiHiVE



carbo culture



iAvoier



evoy



IQM



b4b





# EIC Fund's Co-investors

EIC Fund companies have also attracted many investors so far

Non-exclusive  
investors examples



1038 Co-Investors<sup>1</sup>  
World-Wide



From Angel  
Investors to  
Investment Funds  
(ticket agnostic)



From **Institutional**  
Investors to  
**Industry Leaders**



Co-Investors from  
**40+ countries**



1. This number reflects the number of investors that have invested in a company in the EU portfolio, but not necessarily in the same round

# Case Study – Pasqal Journey to success

EIC Fund selected & supported Pasqal at an early stage, helping it to scale up and attract new investments



## 1. Creation

- Founded in 2019, in France
- Founded by Georges-Olivier Reymond, Christophe Jurczak and Alain Aspect

## 2. First Steps

- Developer of a full-stack quantum computing technology
- 2 Patents (2020, 2021)

## 3. EIC selection & funding

- EIC identified company and provided €2.5 million of grant funding in Dec 2020

## 4. Subsequent support & Co-investment

- Secured €100 million of Series B venture funding in a deal with EIC Fund led by Temasek Holdings on Jan 2023

## Success

- Alain Aspect is physics Nobel Prize Winner in 2022
- 100+ employees



# Conclusions and Key Strategic Goals

Our strategic goals reflect our ambition to create a strong European VC ecosystem

Strategic goals as defined in EIC's Work Program for 2023



Be **the investor of choice** for those with visionary ideas



Crowd in **€30-50 billion** investment into European deep tech



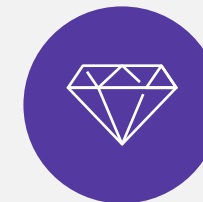
Support the **most promising innovations** for society



Increase number of **European unicorns** and **scale ups**



**Catalyze innovation** impacts from European public sector



Achieve **operational excellence**



# Thank you!

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

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