

Backing visionary entrepreneurs

The European Innovation Council

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08/04/2022, Tallinn

European
Innovation
Council

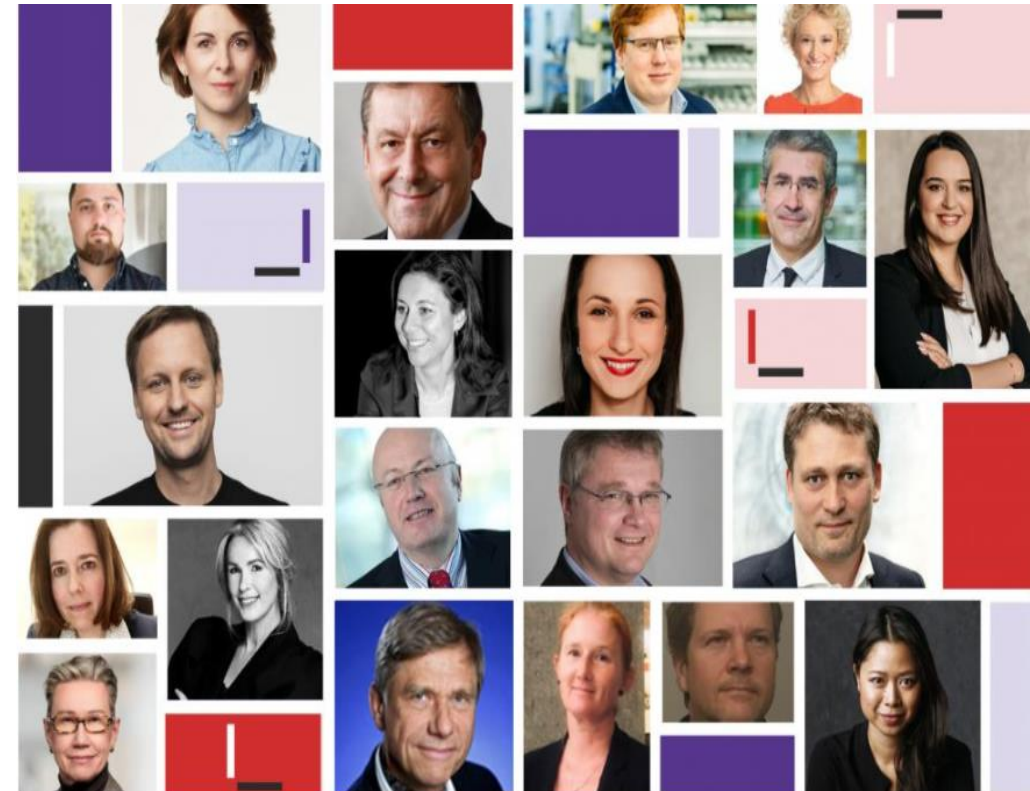


European Innovation Council (EIC)



Europe's most ambitious innovation initiative

- **€10 billion** programme to identify, develop and scale up breakthrough technologies and disruptive innovations in Europe
- **3 funding streams** to support deeptech innovations at every stage; from research, to product development and finally commercialisation
- Grant funding combined with **the EIC Fund**, Europe's largest deeptech VC investor (over €3 billion)
- **Innovator-centric** steered by Board of leading innovators
- **Pro-active** approach with flexible funding
- Enhances the **European innovation ecosystem** by investing in high risk companies while always inviting private market lead investors



EIC's 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 Accelerator – Profile of companies



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



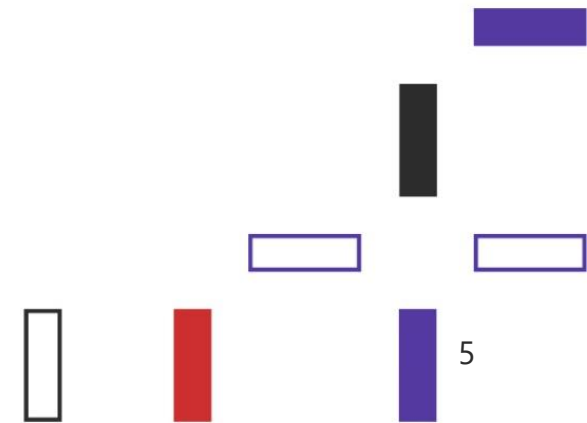
EIC Accelerator - Work Programme 2022



- **Budget: €1.16 billion**
 - EIC Accelerator **Open**: €630.9 million
 - EIC Accelerator **Challenges**: €536.9 million
 - Technologies for Open Strategic Autonomy
 - Technologies for 'Fit for 55'



- **Strong continuity** for main calls
 - 23 March
 - 15 June
 - 5 October



The EIC Fund



Manages equity investments in startups & SMEs selected by EIC Accelerator

- **Bridge the critical financing gap** faced by innovative science and engineering companies when bringing their technologies to market.
- **Start scaling up** breakthrough European innovations.
- **Crowd in** other investors, through a **large network of capital providers and strategic partners** suitable for co-investments.
- The EIC Fund strives for larger rounds, thereby **multiplying the value of taxpayers' money** (EIC Advisory Board, Vision Paper: goal is to generate a **leverage effect** equal to 3 to 5 times).

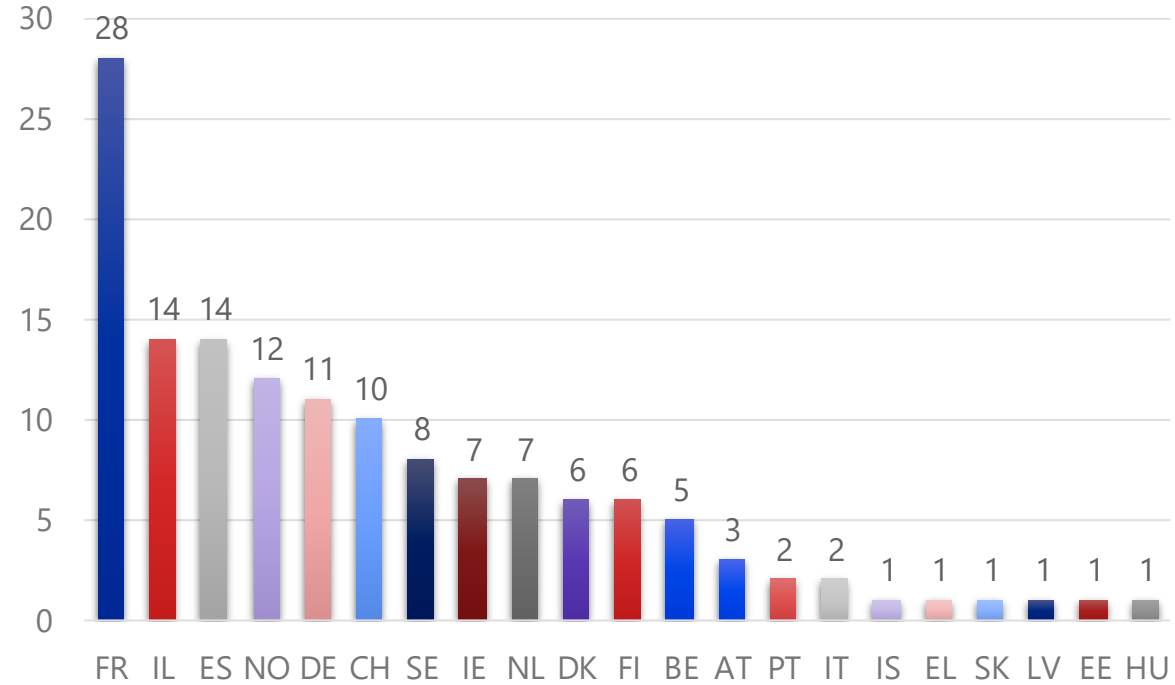
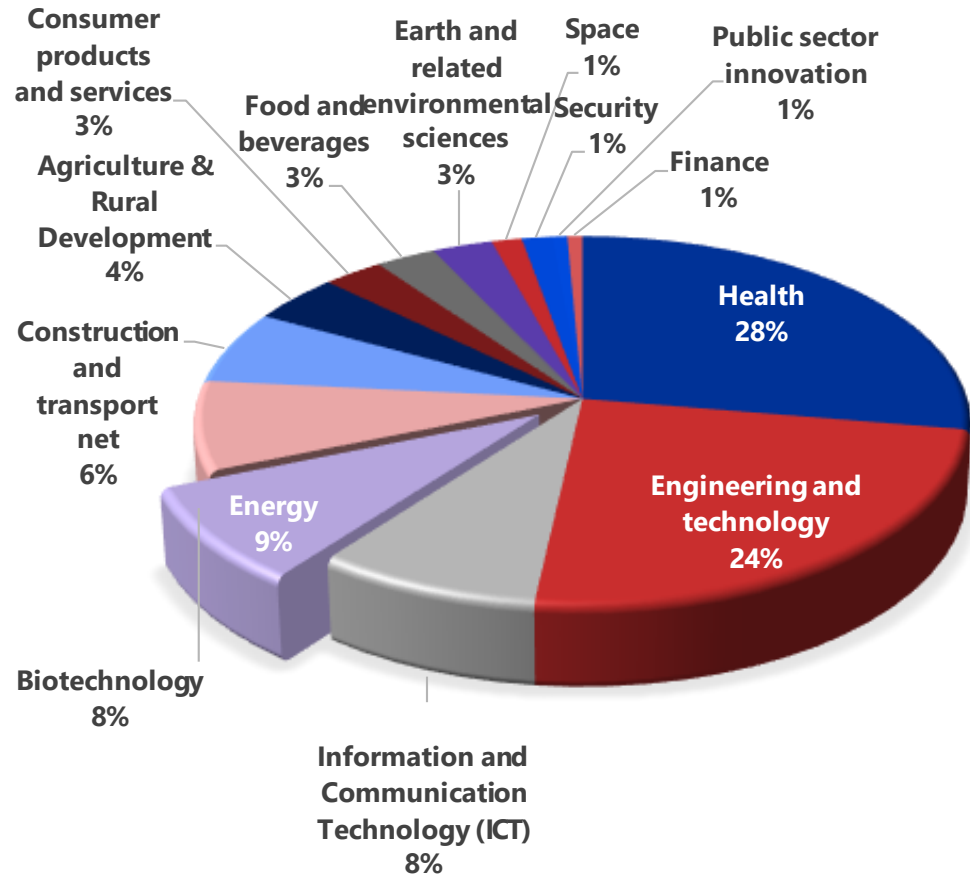


Investment strategy

- EIC Fund invests at **early stage** (seed, start-up, scale-up) from €0.5 to €15.0m in the form of equity or quasi-equity, with **powerful promising teams**.
- EIC Fund provides **patient capital** over a 7-10 year horizon.
- EIC Fund invests in **all technologies and verticals**, in **EU countries** and associated countries to Horizon Europe.
- Provides **mentoring and guidance to founders** through board members.
- **Monitoring** and acting on milestone funding, financing events (conversions, top-ups, etc.), write-downs and restructurings, exits, etc.
- Possibility of **follow-on investments** on an ad hoc basis to operations that were initially awarded an investment component or a “grant first” support, subject to review.
- The Fund 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.

EIC Fund deal flow from pilot phase (2019-20)

- Portfolio of 141 early-stage technology companies (€637 million investment, €4.3 million average)





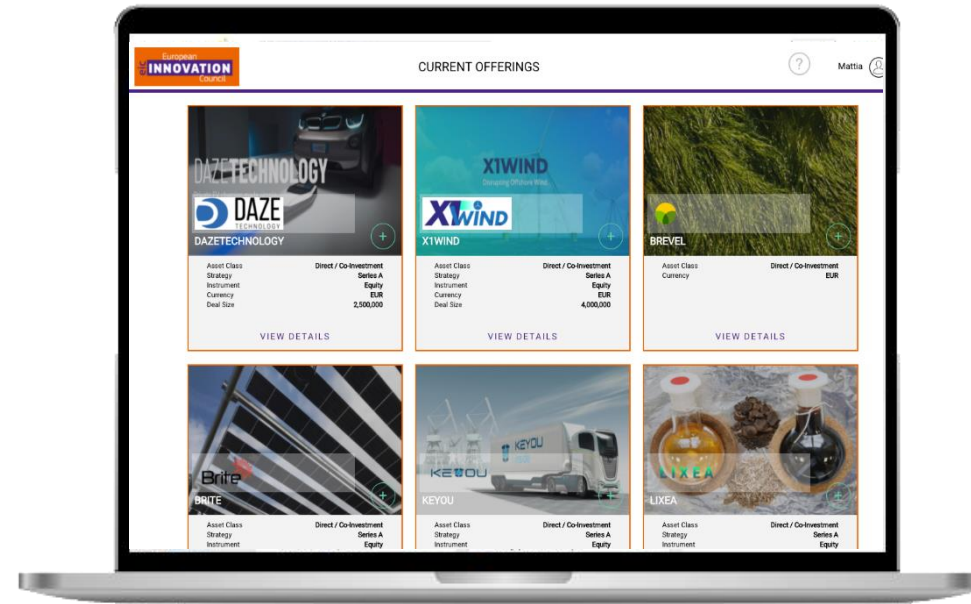
Co-investment support

Co-investor portal aimed to facilitate investor introductions

Each year, the **top 2%** companies are selected for the EIC Accelerator **from more than 10.000 applicants** through an extensive due diligence process. Criteria for the selection include **solid traction, experienced teams and high revenue potential**, making these ventures great early-stage investment opportunities.

800+ Investors
Registered

150+ Companies
listed



SUCCESS CASES



Eicfund.atominvest.co

To the platform

Survey.eicfund.eu

To register as an Investor



Estonian participation in the EIC Accelerator

- Pilot phase (2019-2020)**

EC Contribution	Grant Proposed €	Equity Proposed €	Total in €	Total in %
Grant only	4.7 million	0	4.7 million	1,8%
Blended	2.3 million	3 million	5.3 million	0,5%
Total	7 million	3 million	10 million	0,8%
Number selected proposals	Grant only	Blended	Total	Total
Total	2	1	3	1,0%

- EIC Accelerator under Horizon Europe (June and October 2021 cut-offs)**

EC Contribution	Grant Proposed €	Equity Proposed €	Total in €	Total in %
Grant only	1.9 million	0	1.9 million	1,40%
Blended	1.7 million	1.2 million	2.9 million	0,40%
Total	3.6 million	1.2 million	4.8 million	0,50%
Number selected proposals	Grant only	Blended	Total	Total
Total	1	1	2	1,00%

Chrysalix Technologies Estonia OÜ - Lixea

Second life of wood: Bioflex technology to dissolve waste wood to get raw materials

European
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LIXEA

Name:

Chrysalix Technologies
Estonia OÜ - Lixea

Founded in:

2017

HQ:

Estonia

Size:

12 FTEs

Contact:

conor@lixea.co

Website

<https://www.lixea.co/>

Description

Lixea has developed the BioFlex process that uses unwanted waste wood as a very cheap raw material to produce intermediates for affordable, renewable and high-quality chemicals, fuels and materials.

Market size

The market for bio-based chemicals and materials will grow rapidly in the next 10 years reaching over €77bn.

Lixea will create new markets: waste wood for high-value applications (BioFlex feedstock) and a new type of cellulose and high-purity lignin for industry (BioFlex products)

Competitive advantages

Scalable and zero waste process, reduced production costs of bio-derived products and strong pollution reduction.

Financials

Sale of licenses to biorefineries and renewable chemical industries.

Pilot plant in Sweden to be completed 2022 Q1. Revenue generation from 2024.

Team



Krisztina Kovacs-Schreiner
CEO



Dr Florence Gschwend
CTO and Co-Founder



Prof Jason Hallett
Director & Co-Founder



Dr Dunstan Cooke
Director of Corporate Operations

FUNDING ROUND

Round size €5M Series A round

- €1M have already been committed by the EIC
- **€4M fundraising from private investors**

Round closing date

June 2022

Use of funds

- Targeting commercial licensing revenues by 2024
- Further technology development and team expansion reaching 5 commercial and 8 technical

Previous funding rounds

- 2021: €2M from the EIC
- 2019: €2.3M in non dilutive grants from the EIC
- 2017-2019: €0.5M raised from private investors



Thank you!

eic.ec.europa.eu

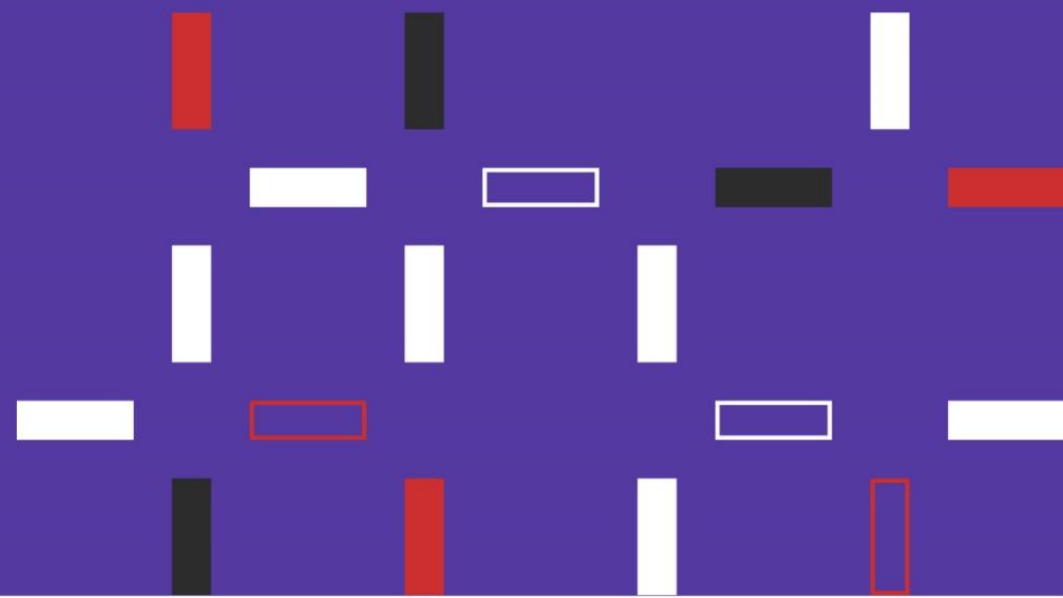
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InvestEU Research, Innovation, Digitisation window (RIDW)

- EUR 6.6 billion of EU budgetary guarantee



Policy objectives:

- Towards 3% spending of GDP in R&I
- De-risk investments in research & innovation and transfer results to the market
- Support fast-growing innovative companies seeking finance to commercialise innovations
- Promote first-of-a-kind demonstrations
- Sustainability and decarbonisation
- Climate change and GHG emission reduction
- Digitisation
- Health



Final recipients targeted:

- Stand-alone promoters, notably SMEs and start-ups
- Corporate projects or SPV
- Universities, tech transfer offices, higher education or research centres
- Research infrastructures
- Innovation and digitisation agencies, accelerators, incubators.



Policy priorities and products

Direct debt/equity type (EIB)

- Improving access to finance for:
 - innovative or digital companies
 - R&I projects of universities, research organisation, public-private partnerships, etc.
- Loans, including venture debt covering 50% of total project costs
- Thematic products targeting high risk, high policy value investments
 - Green Transition
 - Health and digital

European Green Deal

- Energy
- Transport and mobility
- Circular economy
- Bioeconomy
- Adaptation to climate change

Digital technologies

Semiconductors

Health

Manufacturing technologies

Space

Defence

Intermediated Equity (EIF)

- Investments in private equity and venture capital funds to back start-ups and scale-ups
- Targeting funds of specific policy value, including funds focusing on accompanying companies through IPO.
- Specific focus on supporting female-led funds