



European Innovation Council Fund

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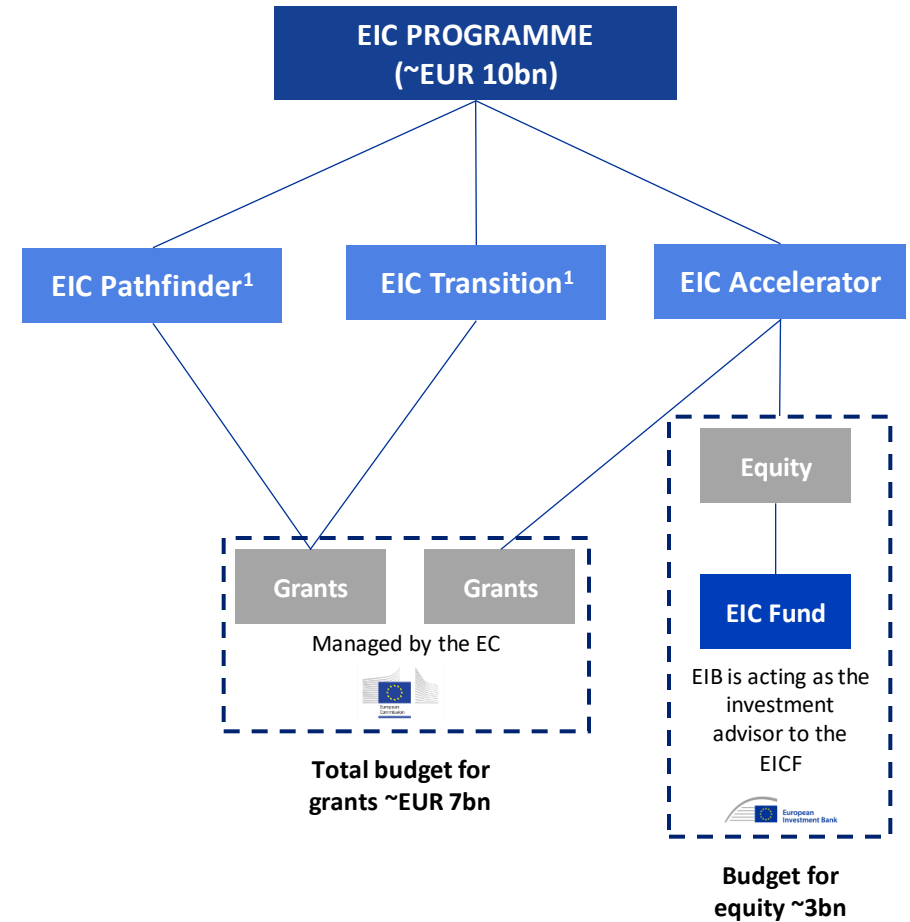


European Innovation Council (EIC) overview

The EIC Fund is the equity investment vehicle of the EIC Accelerator programme

EIC Overview

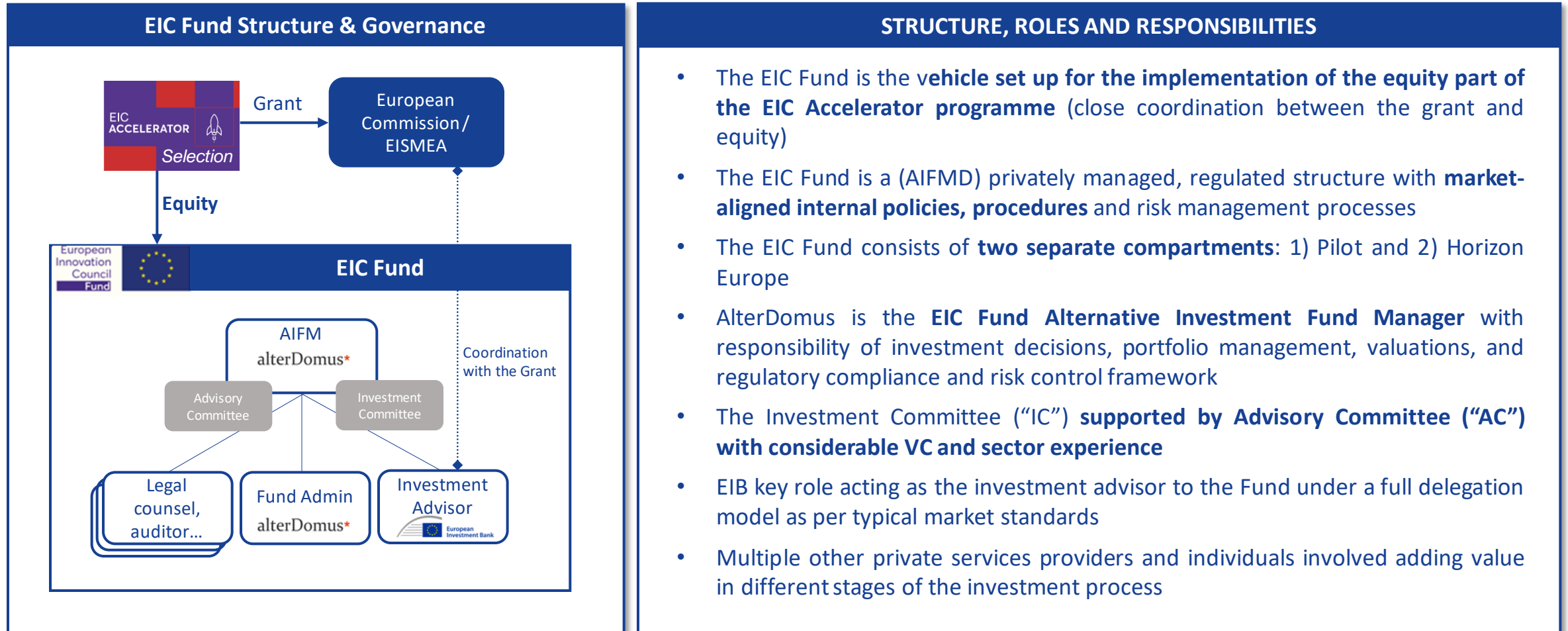
- Launched in March 2021 the **EIC under Horizon Europe** aims to identify, develop and deploy breakthrough technologies and disruptive innovations
- **EIC Accelerator** → financial support to **SMEs, Startups and spin-outs** to develop and scale-up game-changing innovations (deeptech):
 - **Grant funding of up to EUR 2.5m** for innovation development costs
 - **(Direct equity) investments of up to EUR 15m** deployed by the EIC Fund
- **EIC Fund** → invests the equity portion of ~EUR 3bn, corresponding to ~120 equity investments p.a., i.e. total EIC portfolio of 700-900 investments during the whole period
- **EISMEA** (European Innovation Council and SMEs Executive Agency) → evaluation and selection of proposals, implementing the grant component, ensuring coordination between grant and equity components
- The **European Investment Bank (EIB)** → investment advisor to the EIC Fund



Notes: ¹ EIC Pathfinder and EIC Transition are grant programmes for advanced research targeting early stage technology development and develop business plans for specific applications

EIC Fund Structure and Stakeholders

The EIC Fund is market designed Fund with a scalable operating platform which is compliant with best market practices and regulatory requirements



EIC Fund (EICF) Scope and Investment Principles

Develop European Champions, including innovators proposing European alternatives to non-European innovations in areas of global competition

Scope

- **Start-ups and SMEs** seeking to scale-up high impact innovations with the potential to create new markets or transform the existing ones.
- Innovations building on **scientific discovery or technological breakthroughs** (deep-tech¹)
- Projects with broad **societal, economic, environmental or climate impact**
- Innovations where significant funding is needed over a long timeframe and are **too risky for private investors alone**.
- **Capital-intensive strategic technologies in policy priority areas**, including Health, Green Deal (e.g. clean energy, climate action, future mobility) and Digital Transformation, advanced engineering, life sciences and space.

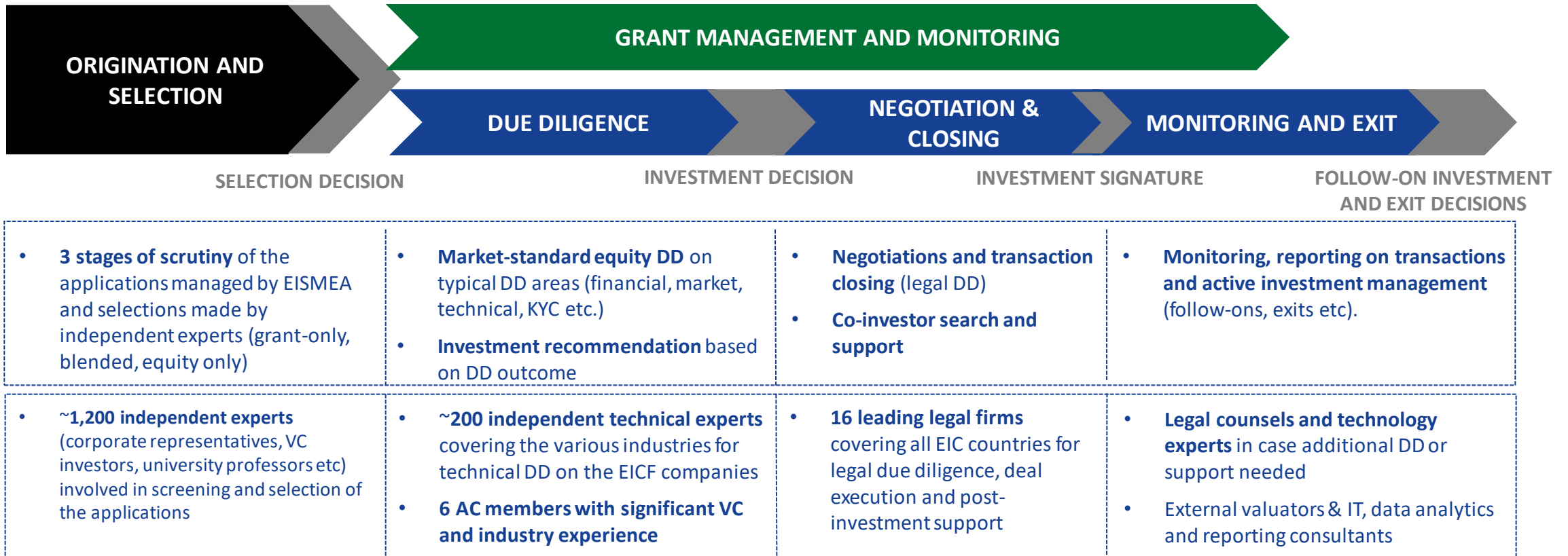
Investment Guidelines of the EIC Fund

- Invests at **early stage (seed, start-up, scale-up)** from EUR 0.5m to EUR 15m in the form of equity or quasi-equity (e.g. convertible loans)
- Finances **market deployment and scale up**
- Systematically seeks **co-investment with Qualified Lead Investor(s)**
- Aligns its valuation of equity investment to the **valuation set by the market**
- **May reserve follow-on capital** to invest in subsequent funding rounds
- **Patient capital**: investments with a long average perspective (7-10 years)
- Main objective is “**impact investment**” rather than maximizing return on the investment
- Usually **targets minority ownership stakes** (from 10 to 25%) and up to blocking minority in cases identified by the EC as of strategic interest for the EU
- Invests in companies **established and operating in the EU Member States or Associated countries to Horizon Europe**

Notes: ¹ Deeptech refers to a technology based on cutting-edge scientific advances and discoveries. Deep tech is distinct from ‘high tech,’ which tends to refer only to R&D intensity

The EIC (Fund) operations

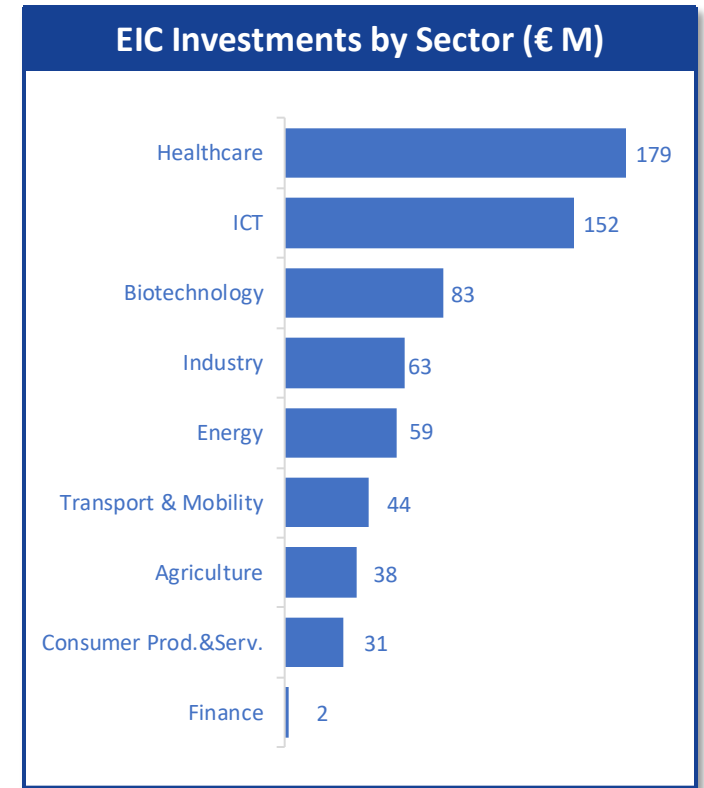
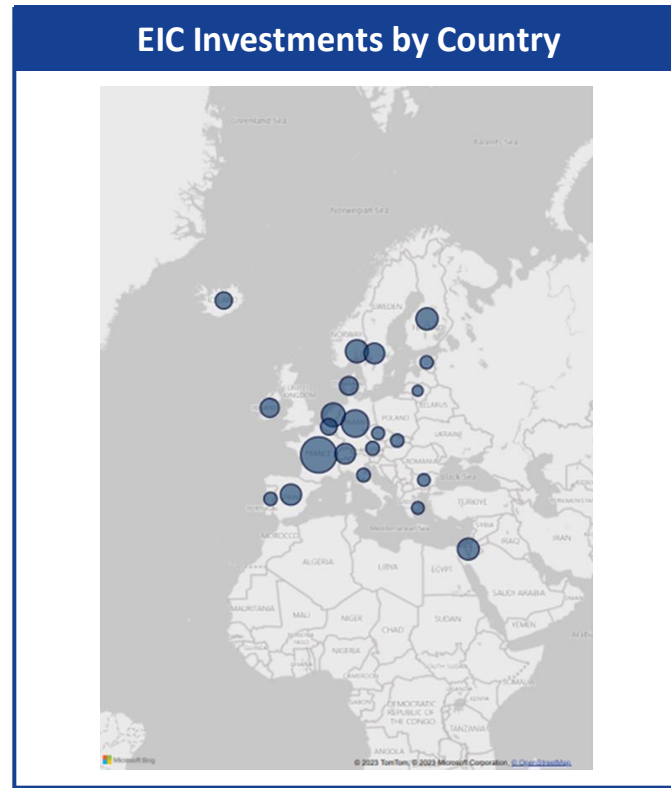
The operational investment processes applied in the EIC Fund have been designed for efficiency, scalability and quality in view of regulatory compliance and alignment with market practices.



As of Dec-23

Current State of Play: EICF Portfolio Overview

EICF has committed ~EUR 1.6bn of capital (TS signed) to ~285 companies (of which ~EUR 651m have been already invested¹ in 186 companies catalysing total funding of over EUR 2bn, with an average round multiplier >3x); in 2023 the EICF is expected to invest ~EUR 400m



Notes: ¹ Investment Agreement signed

Beneficiaries and co-investors

Participation in 230 funding rounds of 186 beneficiary companies has meant co-investing with over 1,000 co-investors who have committed over EUR 1.8bn of additional equity to the EIC companies

Investee Examples

186 Investee Companies

Together with co investors the EIC Fund has already enabled EUR 2.5bn to early-stage deeptech companies

Co-Investors Examples

~ 1,000 Co-Investors

EIC Fund value added to the deeptech ecosystem

The EIC Fund provides financial and other types of value added support to the EIC beneficiary companies while cooperating closely with the leading investors in the deeptech space.

Benefits for the companies

- Combination of up to EUR 2.5m of grant and up to EUR 15.0m of equity to develop innovations and grow the company
- EIC Fund can provide founder-friendly lifecycle equity investment support from seed to Series B/C rounds
- Stable and patient capital to the companies with no pre-determined exit window
- “Smart-money” in view of getting access to fundraising and business acceleration support as well as access to the EIC ecosystem
- EIC award and further EIC Fund investment decision a stamp of approval to the companies

Benefits for the co-investors

- Access to large deal-flow of high quality early-stage deeptech opportunities
- Passive investor with ability and dry powder to follow on in multiple rounds to support the companies
- Co-invests with leading market investors and aligns commercial terms and conditions of the investment with market
- Due diligence and decision-making timelines aligned with market needs
- Quality stamp to the investments and additional value-added services and support

THANK YOU



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Investment Bank