



# European Innovation Council Fund

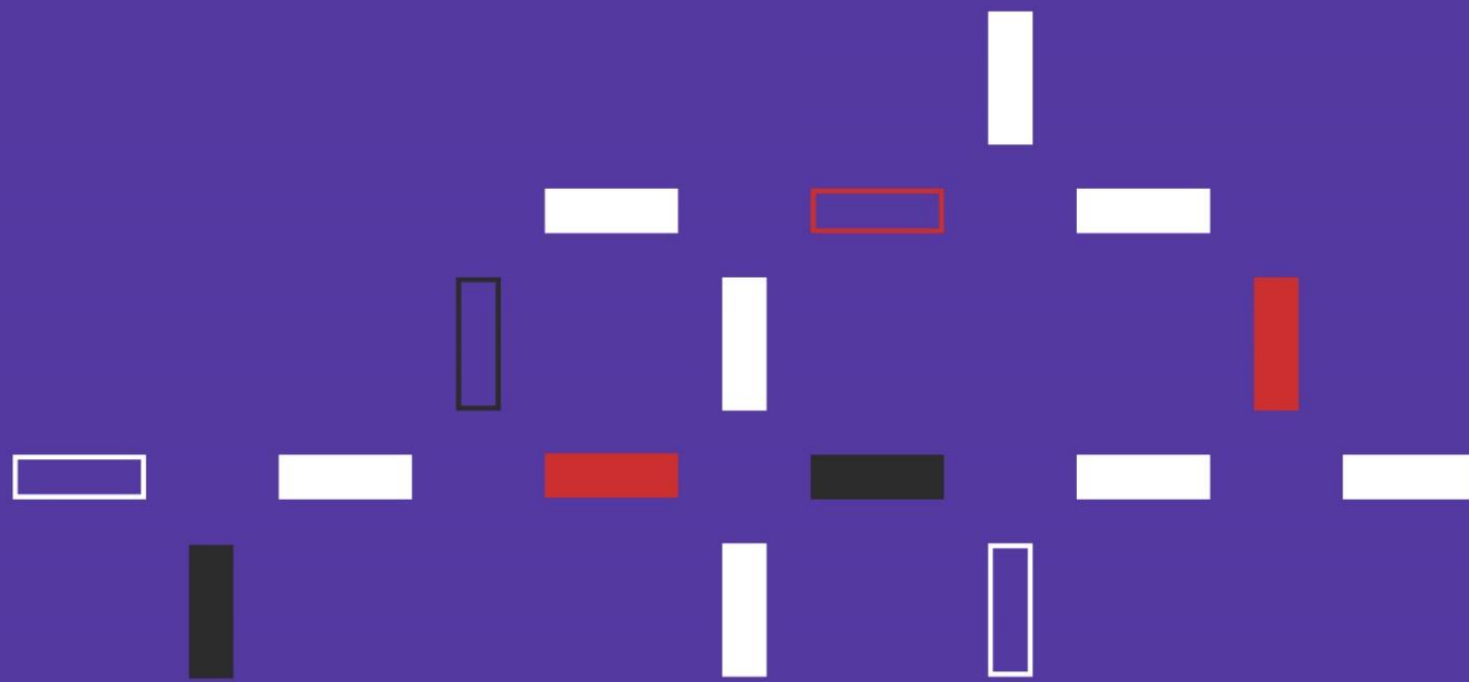
EIB Presentation

Vienna, Austria – 4 April 2024

Jussi Hätönen

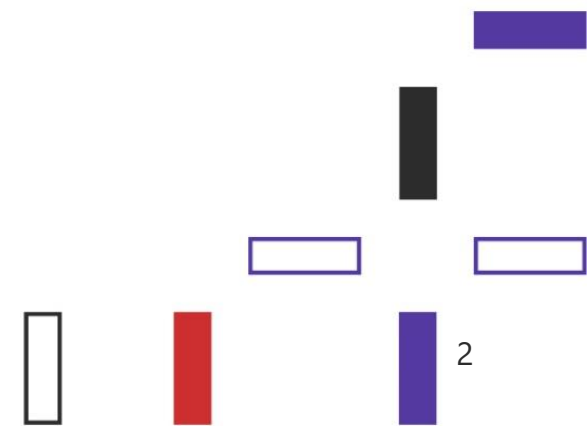
Svetoslav Stefanov

Nathalie Jeneral





# What is the EIC Fund?



# EIC Fund's strategic role in the European VC ecosystem

With over EUR760m investments made across 288 investment rounds in 217 portfolio companies\*, the EIC Fund has become an important contributor to the support of breakthrough innovation in Europe through a holistic process

Fully market-aligned investment processes and procedures

Commercial and market-aligned terms and conditions

Balanced co-investor and founder friendly investment approach

Strong policy focus in supporting European breakthrough technologies

The EIC Fund is structured and operates similarly to any private VC with two exceptions: 1) it does not do active origination of deal flow\*\*, 2) it's investment focus is geared by strong policy impact on supporting European breakthrough technologies.

\* As of 29 February 2024

\*\* The deal flow to the EIC Fund derives through a rigor evaluation process as has been set up by the European Commission and including more than 1,000 independent experts reviewing the opportunities

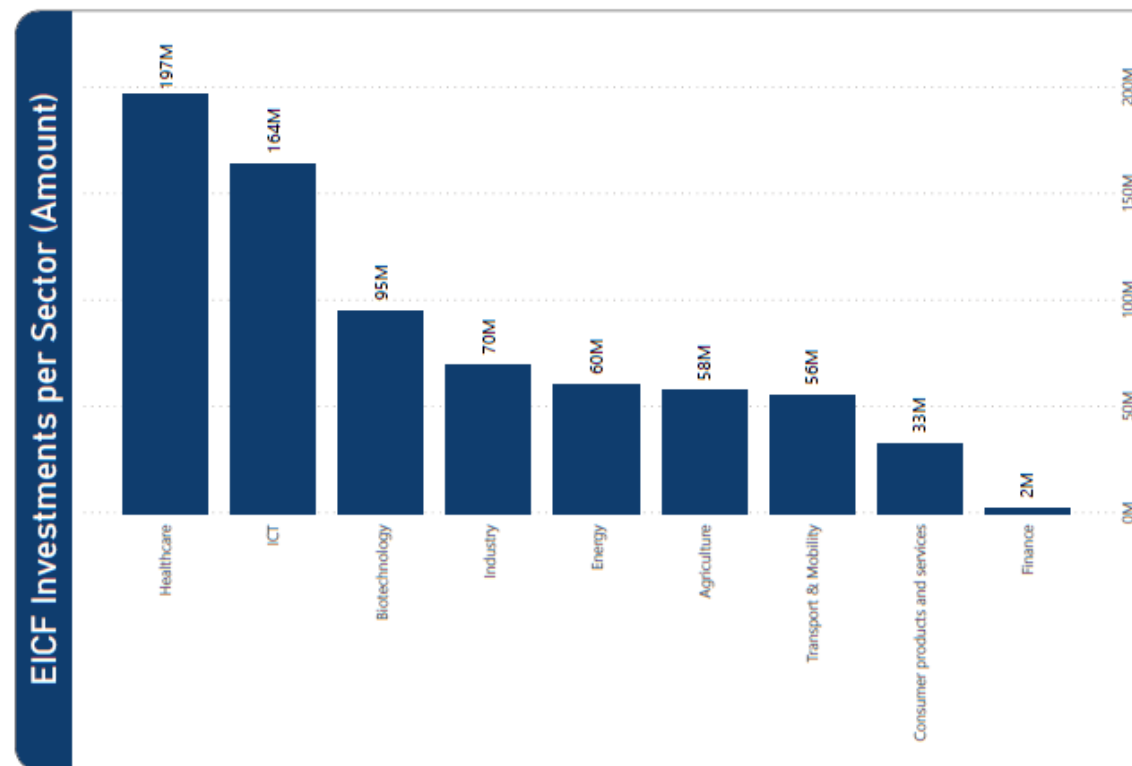
# EIC Fund's scope, investment activity and current portfolio



Following the restructuring and “privatisation” of the EIC Fund in October 2022 it has rapidly scaled up it’s activities with more than EUR 1bn of investment approvals just within a single year

## EIC Fund in key numbers\*:

- Committed capital: EUR 2.5bn
- Approved investments: EUR 2.0bn
- Approved companies: 344
- Investments made: EUR 761m
- Invested companies: 217
- Investment rounds completed: 288
- Average investment: EUR 2.64m (range EUR 500k-15m)
- Total money raised in rounds participated by EICF: ~EUR 3.2bn (leverage 3.17x)
- Countries covered with investments: 23



\* As of 29 February 2024

# EIC Fund co-invests with some of the best in their fields

The EIC Fund has over 1,000 co-investors in its active portfolio, including leading deep tech investors in Europe

## Deep and Digital Technologies



## Clean Technologies



## Bio Technologies



Together with its investment partners the EIC Fund has enabled ~EUR 3.2bn of funding to European early-stage deeptech companies over the past few years.



# What is our investment scope and principles?

# EIC Fund scope and investment principles

Ultimate objective to develop European champions, including innovators proposing European alternatives to non-European innovations in areas of global competition in the deeptech space

## 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** (deeptech<sup>1</sup>)
- 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

- **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**
- Aligns its 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**

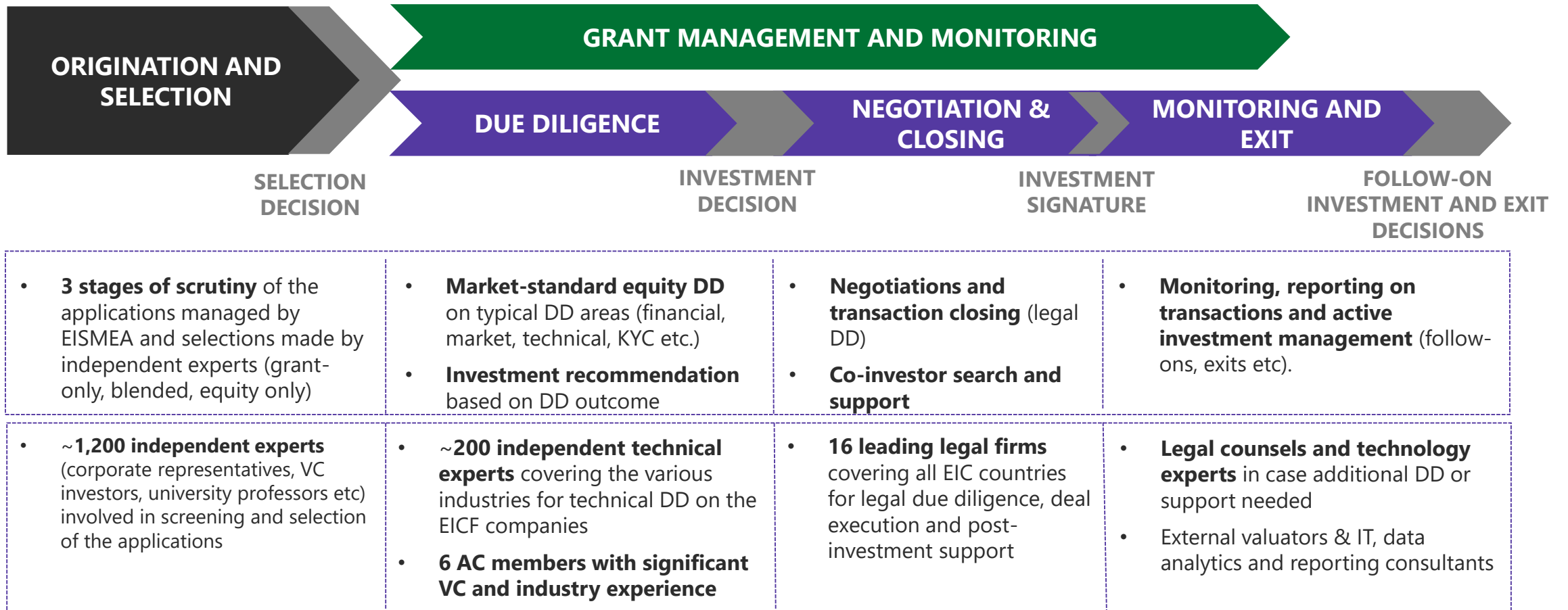


# How do we work and who are involved?



# The EIC process overview

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.





**What are the benefits of the EIC Fund to the companies and 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 deep tech 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

## Benefits for the co-investors

- Access to large deal-flow of early-stage deeptech opportunities
- Can de-risk technology risk of successful portfolio companies through complementary EUR2.5m non-dilutive grant
- Passive investor with ability and dry powder to follow on in multiple rounds to support the companies
- Efficient co-investment model that aligns commercial terms and conditions of the investment to lead investor
- Quality stamp to the investments and additional value-added services and support

# Summary



Opportunity to build on a strategic initiative by creating meaningful 'network effects'

1

For companies EIC, through combination of grants and equity, provides a powerful funding source to further develop breakthrough technologies and commercialise them

2

EIC Fund ramping up to being a key strategic actor in supporting European breakthrough technologies by co-investing alongside qualified investors

3

EIC Fund has been set up as a "privately operating" structure enabling market-aligned processes and decision-making allowing for efficient cooperation with private market investors

4

Deepening the co-investor network could potentially benefit both deeptech companies and qualified investors active in the European deep tech space

The EIC Fund is looking into building a more structured approach to cooperating with leading investors in the European deeptech space that would provide increased benefits to the "trusted" co-investor network of the EIC Fund.

# The EIB investment advisory team here today



**Jussi Hätönen**  
Head of EIC Division



**Svetoslav Stefanov**  
Senior EIC Investment Officer



**Nathalie Jeneral**  
EIC Investment Officer

# Thank you!



**DRONAMICS GROUP LIMITED**  
**YonaLink Ltd**  
**XELTIS**  
**FREEZEM CRYOGENICS LTD**  
**HARDT BV**





# Thank you!

© European Union, 2021

Reuse of this document is allowed, provided appropriate credit is given and any changes are indicated (Creative Commons Attribution 4.0 International license). For any use or reproduction of elements that are not owned by the EU, permission may need to be sought directly from the respective right holders.

All images © European Union, unless otherwise stated. Image sources: ©Tom Merton/Caia Image, #315243588; ©REDPIXEL, #220695664; ©Halfpoint, #180578699; ©bnenin #213968072; ©MyMicrostock/Stocksy, #3094437622021. Source: Stock.Adobe.com. Icons © Flaticon – all rights reserved.

