

EIC Accelerator

2023 Programme Summary

The ins & outs
for a successful
application

New EIC expert
insights & analysis

Opportunity for
non-dilutive &
equity financing

Intro

EIC Accelerator

Introduction

Disruptive innovators are continuously seeking funding to finance risky R&D, scale-up, and close-to-market activities. This presents a challenge for European SMEs, who may struggle to find high-risk capital from professional investors. To address this gap, the European Commission created European Innovation Council (EIC). EIC is Europe's flagship innovation funding institute with >€10 billion budget for 2021-2027.

EIC Accelerator is the major instrument of the EIC Work programme, part of Horizon Europe. EIC Accelerator is one of the most prestigious funding schemes for innovative start-ups, SMEs and scale-ups in the EU. The scheme will support the scale-up of SMEs developing high-risk, high-impact innovations ('deep tech'-building on scientific discovery or technological breakthroughs) with the potential to create new markets or disrupt existing ones. SMEs can apply for dilutive (equity) and non-dilutive funding (grant) in one of the two settings: Open Call, for innovations in any field ('EIC Open'); or Challenge Driven, that targets different topics ('EIC Challenges').

In numbers

EIC Accelerator



>5000
full proposals
submitted



64%
Applications for
blended finance



>1000
projects invited
to interview



>390
companies won
in 2021-2022



24
different
countries



€1.135B
available budget
for 2023 (grants
& equity)

Insights 2023

Insights from our EIC Accelerator expert

“ This year we are celebrating the official recognition of five of our previous EIC Accelerator life science clients as EIC Health Centaurs, each with a valuation of over €100 million. This is a testament to the effectiveness of the programme and the value it brings to innovative companies.

What we continue to learn is that with such a rigorous evaluation process, preparation is key. Firstly, having analysed hundreds of evaluation reports, we have a thorough understanding of what it takes to lay down a winning EIC Accelerator story: advertising innovation positioning, credible and detailed business & scale-up strategies, and a clear description of financial need. This ties into the second point, thorough interview preparation is essential! We receive a lot of feedback from our clients on their experiences with the jurors and utilize this knowledge to help companies prepare for this stage.

We have also witnessed a shift in programme priorities, with a trend towards awarding grant-first funding options to earlier-stage companies. Challenge Calls represent an excellent opportunity for eligible companies to apply with a higher chance of success, as there are fewer submissions compared to the Open Call. We encourage companies to contact us to discuss their suitability to the Challenges.

Overall, the EIC Accelerator programme offers a tremendous opportunity for innovative companies to accelerate their growth. As experts in this field, we're passionate about supporting our clients and providing them with the guidance they need to succeed in the programme.

”

– Peter Ochodnický, PhD

Quality Manager, EIC Accelerator Expert Consultant



In this guide

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EIC Accelerator

About EIC Accelerator

For European SMEs with high-risk, high-gain innovations

Funding from the EIC Accelerator is designed to support innovations to launch and scale-up faster on the European (and global) markets. This will help drive economic growth in Europe, attract high-risk capital to support European autonomy in strategic innovations and lead to new R&D jobs and benefits for society. This programme is highly competitive.

Applicants now have four options for funding under the EIC Accelerator: **grant & equity** (or **blended finance**), **grant first**, **grant only**, **equity only**. Grant activities may cover late-stage product and service development (>TRL5), trials, validation, demonstration and testing in real-world conditions. Late-stage R&D, but also market access preparation, commercialisation and scale-up of the company can be additionally financed by the equity component. See below for further information.



Grant & equity (€ 0.5M – € 2.5M) & (max. € 15M)

For support of late-stage R&D, scale up and commercialisation activities, usually runs for 2 years (grant project) and in parallel or beyond (equity, 2-5 years).



Equity only (max. € 15M)

For extra support of scale up and commercialisation activities.



Grant first (€ 0.5 – 2.5M)

For conducting late-stage R&D within 2 years, and eventually considering financing of scale up and commercialisation planned for later, after >2 years



Grant only (€ 0.5 – 2.5M)

For late-stage R&D activities (2 years), as the last push before the scaling-up phase.

Open Call and Challenges

Within EIC Accelerator 2023 you can apply to the Open programme (open to any innovation), but also to seven EIC Accelerator Challenge calls with pre-defined topics, targeting innovations in specific domains of strategic importance for the EU. For the EIC Accelerator Challenge calls the same rules and conditions apply regarding funding, application process, eligibility, submitted documents and deadlines.

Open & Challenges Deadlines 2023

Short proposal: apply anytime

Full proposal: 11 Jan (Open only), 22 March, 7 June, 4 October

Overview of Challenge Calls



1. Novel biomarker-based assays to guide personalised cancer treatment:

This Challenge aims to improve the efficacy, safety and uptake of therapeutic approaches against refractory cancers, using novel comprehensive predictive, prognostic and companion diagnostic tests, in the context of precision oncology.



2. Aerosol and surface decontamination for pandemic management:

This Challenge calls for proposals by SMEs with technologies, backed by scientific evidence, supporting normal social interaction, devoid of social distancing, in the presence of air- or surface-borne pathogens.



3. Energy storage:

This Challenge aims at the development of a range of breakthrough solutions for electrical and thermal energy storage at low cost, high density, high charging/discharging efficiency and enhanced durability.



4. New European Bauhaus and Architecture, Engineering and Construction digitalisation for decarbonisation:

The overarching objective for this Challenge is to provide transformative digital products or digitally enabled solutions for the AEC sector that can help it achieve climate neutrality while striving to comply with or contribute to the human-centred quality values and principles brought forward by the New European Bauhaus.



5. Emerging semiconductor or quantum technology components:

This Challenge supports the development of critical technologies where start-ups and SMEs with disruptive innovations have the potential to scale up and help ensure the future open strategic autonomy of the Union. The focus is on fostering innovation in the area of quantum information processing components. Europe is a global leader in research in quantum technologies.



6. Novel technologies for resilient agriculture:

The key goal of this Challenge is to develop solutions contributing to the development of a sustainable agricultural and food production system resilient to environmental and social disruptions. proposals should include groundbreaking innovations that will lead to a radical transformation beyond the state-of-the-art of the current fertilisation, crop protection, irrigation and soil management practices.



7. Customer-driven, innovative space technologies and services:

The overall goal of this Challenge is to ensure Europe is able to service and protect its own Space infrastructure, avoiding the risk of losing its strategic autonomy, and enhance the competitiveness of its space industry by encouraging the emergence of innovative, interoperable, scalable, and autonomous “customer-driven” innovative space technologies and services.

Spotlight

Next Generation Sensors



“Being part of a select group of EIC winners opened several doors for us. We found that investors have regularly checked up on our progress, while our commercial partners have gained extra reassurance. Furthermore, the win adds value to the company, and brings us closer to market – we can do more validation and demonstration projects, and make a broader roadmap for our future.”

- Hugo Nikkel, Head of Sales and Marketing at Next Generation Sensors

Focus of EIC Accelerator: Blended finance

EIC Accelerator strongly focuses on financial support through **blended finance (grant & equity)** to finance scale-up and market activities, along with the late-stage R&D. Equity financing is provided by the EIC Fund.

EIC Fund. The EIC Fund is a venture capital fund with the European Commission as a shareholder and European Investment Bank (EIB) as the investment advisor. Since 2021, the EIC Fund has approved investments in >72 companies (>€0.521 billion) with the mission, to bridge the critical financing gap faced by innovative companies when scaling-up or bringing their technologies to market.

Equity component. EIC Fund provides patient capital in the form of direct equity or quasi-equity, such as convertible loans. The fund invests from €0.5-€15M in seed-, series A-, and series B-stage companies on friendly, flexible terms, often seeking a crowd-in effect through attracting other investments.

Need for investment support. EIC Accelerator is aimed at supporting companies that are not able to secure enough financing from the market. This includes the inability to attract sufficient investments from professional investors (VCs) due to the high technological or commercial risk of the innovation. EIC Accelerator financing should de-risk the innovation, hence allowing SMEs to attract co-investments from commercial investors.

In the application, you need to provide detailed financial and business information, along with evidence for your ability to scale-up and make wide-ranging impacts. We are ready to help you with this.

Did you know?

In the final EIC Accelerator round of 2022 Catalyze supported four winning projects.

[Read about the successful projects](#)

The ideal

Applicant Profile

Applicants must be small- or medium-sized enterprises (SMEs) – especially start-ups, spin-outs and scale-ups, and in exceptional cases, individuals (intending to launch a start-up), or small mid-caps (fewer than 500 employees), established in an EU Member State or a Horizon Europe-associated country. There is no predefined sector or topic for the Open call. For further information on eligibility nuances, please contact us.

High-risk, high-potential start-ups and SMEs

The EIC Accelerator is designed to support ambitious companies with radically new ideas to develop and commercialize innovative products, services and business models that shape new markets and drive economic growth. Bringing the innovation to market should have high societal and/or environmental impact. For the best fit with EIC Accelerator, your SME must meet the following three points:

1. High-risk innovation that will be disruptive in existing markets or create new markets, with the potential to change market dynamics.

Your innovation should be a critical solution that addresses unmet needs, ideally impacting societal challenges. It should be better and/or significantly different to any alternatives – something that no one else has. The EIC is looking for game changers and breakthrough ideas. Most preferred are disruptive technologies originating from research (deep-tech). The high degree of novelty comes with a high chance of either success or failure.

2. High potential to grow your company and scale-up for a major market opportunity. The company's financial needs to scale-up and successfully achieve market-entry should be defined with clear milestones and timelines.

Grant project usually lasts up to 24 months, while the equity component is provided as a part of an investment round and may fund activities in parallel or beyond this timeframe.

3. Readiness of your innovation. The technology readiness level (TRL) of your innovation – ranging from 1 to 9 – is assessed as an indicator for the stage of technology development. The grant component can be used to finance innovations at TRL of 5/6 to 8. This means your technology should at least be in the stage of lab-validated prototype, and ready for a validation (TRL5) and demonstration (TRL6) in an industrially-relevant environment (e.g. late preclinical studies or lab-scale validated biotechnology process) during the project.

Activities including the improvement and optimization of the prototype, production scale-up, further validation, and demonstration in an operational environment (TRL7-8) may be funded by both grant and equity components. Activities above TRL9 (after market entry) can only be funded through the equity finance option. As TRL assessment affects your eligibility for grant or blended financing, you should have a good understanding of this aspect. In some sectors, TRL6 may not be competitive enough for the EIC Accelerator, so please talk to us to evaluate your innovation.

Summary

Are you ready to apply?

Applying to EIC Accelerator is a strategic decision that should not be taken lightly. In a nutshell, you need a breakthrough innovation with the potential to create entirely new markets or revolutionise existing ones, a clear ambition to grow at international level, a demonstrated knowledge of your target market, and a convincing, detailed business and financing plan. It is crucial that you are ready to convince on each one of these aspects.



Next step: how the application process works.

Would you like tailored advice?

We have helped many companies to win EIC Accelerator grants and equity across the fields of life sciences and sustainability. We are ready to support you.

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Summary of the

Application & Evaluation Process

Application phase: Short application

The EIC Accelerator is continuously open for applications. The application process includes three stages; a **short application**, that can be submitted anytime. When successful, a **full proposal** may be submitted in one of the prescheduled deadlines (usually 3-4 a year). The best scoring proposals are invited to the last stage – comprising a pitch presentation and Q&A interview before the EIC Jury.

Once you decide to apply, register your company on the European Commission's Funding and Tenders portal, and complete an 'SME self-assessment'. Preparation of the short application includes three steps: complete a Diagnostic module (a short 5-pager) on the EIC's submission portal, record a short video, and submit a pitch slide deck.

Short application

Three elements

- 1. Proposal.** Within the EIC's submission Portal, complete a Diagnostic module, summarising your proposal in a 5-pager, including a set of questions about the innovation, potential market, and your team.
- 2. Video.** A pre-recorded video pitch of up to 3 minutes with your core team members.
- 3. Pitch Deck.** A company's pitch slide deck of up to 10 slides addressing all evaluated aspects of your application.

Application phase: Full application

Selected applicants that are invited to apply to the second round can prepare their full application. In 2022, 50-60% of applicants proceeded to the full application stage. This step includes preparation of a comprehensive business plan that is submitted through the EIC Portal. Through answering questions on the company's ambition, structure, financing, business model, commercialisation strategy, technology/innovation description, and market positioning a very detailed **business plan** is generated.

Developing the perfect EIC Accelerator proposal is a complex process given the significant detail required, the need to navigate the EIC portal, and the limited space to describe all critical elements effectively (>100 textboxes each with 1000-character limits).

Full application

Three elements

- 1. Business Plan.** This must be a comprehensive and detailed business plan filled out according to the methodologies laid out in the EIC AI portal.
- 2. Company financial plan.** You must provide full information on your company's finances in the past, future financial predictions and forecasts, defined (investment) milestones, detailed budgets for both grant and equity components.
- 3. Visuals & Annexes.** A pitch slide deck to be used at interview stage, additional optional Annex with visualizations, technicalities and other formal documents.

Evaluation phase: Short application

Within ~4 weeks you will receive an evaluation result of the short application. If evaluated positive, you can submit the full application at any of the forthcoming full stage deadlines within 12 months. If **rejected** one time, you may resubmit at any time. If rejected a second time, no new submission will be allowed for 12 months, at which point you may only submit a new or significantly improved proposal.

Evaluation phase: Full application

Within ~5-6 weeks you will receive an evaluation result. If the proposal is rejected one time, it is possible to directly resubmit to the remote evaluation at one of the subsequent cut-offs, with an improved proposal addressing the reviewers' feedback. The written rebuttal on each of the raised concerns is the key element of the resubmission, helping you to succeed at the second attempt. Catalyze has analysed hundreds of evaluators' comments before and can help you to position your case in the right way to persuade the new reviewers evaluating your resubmission. If rejected a second time no resubmission will be allowed for 12 months, at which point you may only submit a new or significantly improved proposal to the short application stage.

With a positive evaluation be ready to make a pitch to the EIC jury!

Pitch & Interview. All applicants with a positive full stage evaluation will be invited to pitch to a panel of up to six jury experts. The panel consists of business angels, entrepreneurs, venture capitalists, and other experts coming from larger corporates, innovation hubs, and accelerators. The outcomes of interviews are provided within 1-2 weeks after the interview round.

Catalyze can help you prepare and train for your pitch to ensure your personal qualities and the motivations of your team come across the right way, which is crucial to convince the juries and investors. We have provided interview support and coaching to >70 companies in the last 4 years of EIC Accelerator programme.



Summary of the

Grant & Equity Components

Grant component

The maximum amount for the grant component should not exceed €2.5 million. In addition, the innovation activities to be supported should be completed in 24 months, but may be longer in well justified cases. The grant component can reimburse eligible costs up to a maximum of 70%. The remaining 30% of costs for the associated activities need to be co-financed by the company's own resources or financed through the EIC investment component.

To request Grant Only or Grant First support you must fulfil the following conditions:

- **Grant Only** (no equity component needed): You must provide evidence that you have sufficient means to finance deployment and scaling up of your innovation (e.g. through letters from future investors). This option has been primarily used to fund UK-based companies in 2021-2022, that has not been non-eligible for equity support.
- **Grant First** (equity considered after 2 years): Your innovation is based on scientific discovery at early stage (e.g. TRL5-6). Subject to reaching the planned milestone with the grant support, companies may be eligible for eventual equity component later. This is a preferred option if you plan an investment round only at the end or after the 2 years grant period.

Equity component

You may request €0.5 million to €15 million in equity investment. However, a higher amount may be requested in exceptional cases (e.g. for technologies that are strategic for the European Union; those with a global competition, where the need for funding significantly exceeds what is available in Europe).

While primarily intended to finance market deployment and scale up, equity may also be used for (co)-financing or R&D and innovation activities.

The equity component will be provided as a part of an investment round and may fund activities in parallel or beyond the 24 month timeframe of the grant project. EIC Fund aims for ownership of <25% of the shares, and in addition to equity other options (quasi-equity, convertible loans) might be provided. EIC Fund intends to act as a friendly-investor, investing with a long average perspective (7-10 years, 'patient capital').

Most of the winners (57%) receive full **blended finance** support, including provision of the grant and equity component in parallel, during the first 2 years (equity part may naturally finance activities beyond 2 years).

Catalyze is an official Partner of the EIC

Catalyze is an official EIC Partner and member of the EIC Ecosystem Partnership and Co-investment Support programme. All EIC supported projects and companies get access to coaching, mentoring, partnering and other EIC Business Acceleration Services from partners as part of the programme.

[Learn more about the programme](#)



More about the option for

Equity & Blended Finance

The EIC Accelerator offers blended finance in the form of an optional equity investment in addition to the grant. The grant component (up to €2.5 million) finances activities from TRL 5/6 to TRL8. Activities classified as TRL9 – those focused on preparing your business for market readiness and the follow-up scale-up – can only be financed through the equity component (up to €15 million).

Are you ready?

In the financial plan, you must define the need and envisioned timelines for the forthcoming investment rounds (most typically series A or B). In the most common scenario, the EIC fund would aim to co-invest in one of the planned financing rounds with other commercial investors. It is important that you carefully consider the timing for equity financing. This will have a long-term impact on your company. Therefore, when aiming for EIC blended financing it may be worth commencing discussions with your investors regarding the possibility of dilution.

How to approach

In a financing plan you will need to detail the amount requested for equity, timelines, and the activities intended to be financed (both TRL5-8 and TRL9). This needs to be positioned in context of your commercial strategy and goals to upscale.

At Catalyze, we are experienced in strategizing how to incorporate the equity option into your business plan, helping you define critical milestones and value inflection points. We recommend that you only commence equity activities about halfway through the ~24 month grant project (or later), as this makes things easier.

What happens next?

Selected applicants for blended finance will be invited to negotiate the equity support with the EIC Fund, keeping flexibility to deliver tailored support for the individual company. The due diligence process (taking weeks to months) will be carried out by European Investment Bank (EIB) to validate and operationalise the investment, with standardized financial packages and implementation networks.

The selected applicants will benefit from connections with specialized mentors, ecosystems, and access to additional funding opportunities. The EIC will support investee companies in subsequent rounds of capital increase and help seek exits from such investments.

What are the advantages of blended finance?

The benefits of incorporating an equity component into your project come in different dimensions but, inter alia, include:

The EIC acts as a friendly investor, which implies that they do not look for an early exit (5-7 years) but can provide sustainable support on the longer term. The EIC is ready to step out at any point when the EIC investment is no longer needed.

- The EIC is willing to step in via equity funding in 'high-risk' projects, allowing a company to push developments forward that 'traditional' investors would be less willing to support.
- The project will be provided with deeper and longer support for activities beyond TRL8 and market deployment.
- Your innovation is de-risked as the 'valley of death' is bridged and brought closer to investors, while your company's leverage increases in upcoming negotiations.
- Provides your company with the chance to gain a valuable partner (private investor) to support go-to-market activities, provide strategic advice, mentoring and access to a broader network of investors.
- There is greater alignment of interest of company founders with the successful outcome of the project.



Next step: Success criteria

Know what it takes

Success Criteria

The expert reviewers of your EIC Accelerator proposal evaluate based on three criteria. In addition, they will assess your company's operational capacity and specifically evaluate the TRL of your innovation. The three criteria evaluated are:

1. Excellence (Innovation and Technology)

The EIC is seeking high-risk, high potential SMEs for high-reward. Does your innovation – through its degree of novelty or disruptiveness – have the potential to create a new market or make significant impact in existing ones? The EIC seeks highly innovative solutions that go beyond state of the art, and that positively impact society, the economy, and/or the environment. The window of opportunity that you plan to exploit should be made clear – outlining that now is the most opportune timing for your innovation in terms of stage of development, feasibility, and market readiness.

2. Impact (Business case and Scale-up potential)

The EIC here evaluates your commercialisation strategy and business model. This includes demonstrating that you understand your value to payers and end-users, accounting for regulations of different countries across Europe and globally – and how this affects your pricing strategy. The financial planning and projections should be realistic and provide a sound return on investment. Importantly, your project should result in upscaling, both in terms of revenues and (research) infrastructure and job creation. Ideally you should forecast revenue creation of over €100 million within a few years after the project. In addition, it is important to address your market fit, competitors, and key partners to enter the market.

Have you adequately quantified the financial needs necessary to scale-up your business and innovation? We recommend incorporating the project into your timelines to illustrate what the impact will be if the project is not awarded. You need a convincing knowledge-protection strategy and evidence of realistic measures to ensure freedom to operation for commercial exploitation. If you have any gaps in your commercial or upscaling strategies, please get in touch for an evaluation.

3. Implementation (Team, Level of risk, and Need for support)

The EIC assesses if your company has the operational capacity and that your team has the capability and motivation to bring your innovation to market. They will evaluate the business and entrepreneurial experience of your team. It is important that your project work plan is realistic and includes clear milestones. Your company should demonstrate a clear need for the EIC support. You need to have assessed your project's commercial and technical risks, with appropriate mitigations planned.



Next step: Grant agreement phase

Get in touch

Want to take your proposal to the next level?

Get in touch with one of our experts. We are ready to help you out with every question. You can reach us via:

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Congratulations

Grant Agreement Phase

Congratulations! Your application was successful! Before you can start the project, you have to finish the last preparation steps of the 'grant agreement phase'. During this phase (within 2-3 months after grant approval), you must provide necessary documentation and sign the Grant Agreement document. The grant agreement consists of the formal agreements between the European Commission and you as the applicant – as well as the timeline and budget for your project.

Catalyze supports clients along the grant agreement process. After signing the grant agreement, the first tranche (up to 50%) of the grant money would become readily available. EIC Accelerator is the programme with the shortest time-to-(grant) money, usually within 4-5 months after the full stage deadline (previous operational delays in 2021/'22 were claimed by EIC to have been solved by late 2022).

Blended finance: Due diligence phase

In addition, applicants selected for blended support will also receive a referral to the EIC Fund to initiate a due diligence process for the equity component. This will be to assess the compliance through a "pre-due diligence phase" and run a "market appetite" testing, whereby the EIC Fund will check if there are co-investors on the market willing to take an equity stake in the company.

Preferably, the EIC Fund will co-invest alongside such market players, but also considers other options. The equity process was lengthier in 2021/2022, but by establishing an external fund manager in 2022, the EIC strives to ensure a 6-12 months timeline to term sheet. Catalyze can assist you along the due diligence process.

Success stories

Case Study

Real-time solution for food contaminant testing

NG Sensors are on a mission to make food safer, while cutting the time and costs necessary to do so. They won EIC Accelerator for the SAFE-FOOD project, which is developing their innovative portable mass spectrometer; capable of rapid, on-site food contaminant testing. We spoke with Hugo Nikkel, Head of Sales and Marketing at NG Sensors, to hear more about their product and the EIC Accelerator award.

“Of course, Catalyze can help with all kinds of nice figures and schemes. But most important is that that they take the lead in setting out the process, keeping up to speed with progress, and are also critical about the information that you provide.”

- Hugo Nikkel, Head of Sales and Marketing

[Read the full interview article](#)



EIC Accelerator news

Four successful submissions in final 2022 round

In the final EIC Accelerator round of 2022, we supported four successful applicants in preparing their submissions for the EIC Accelerator Open. Follow the link to read more about the winning projects.

[Read more](#)

Ready for your EIC Accelerator application?



Talk to one of our experts

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