

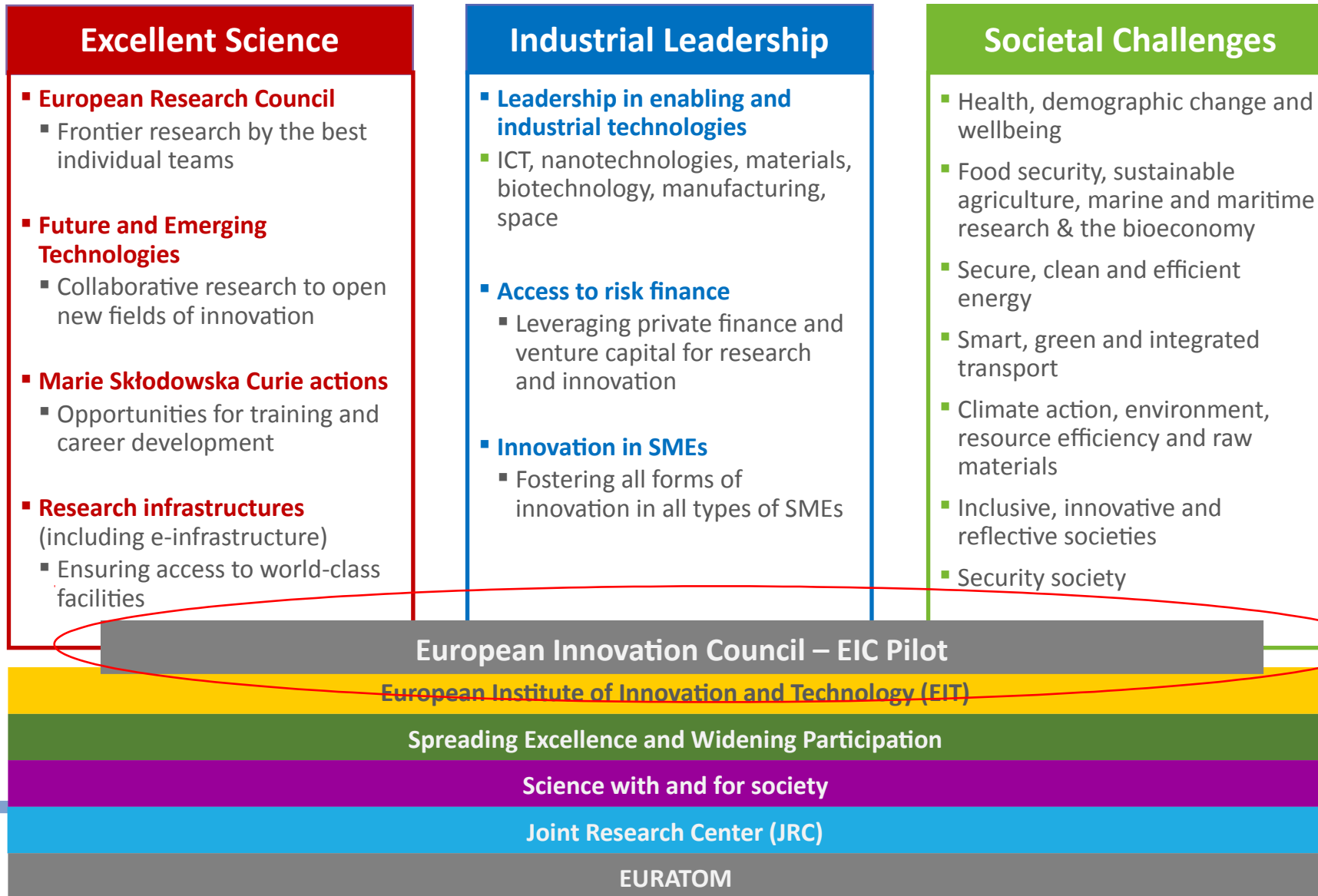
EIC Accelerator

29 settembre 2020

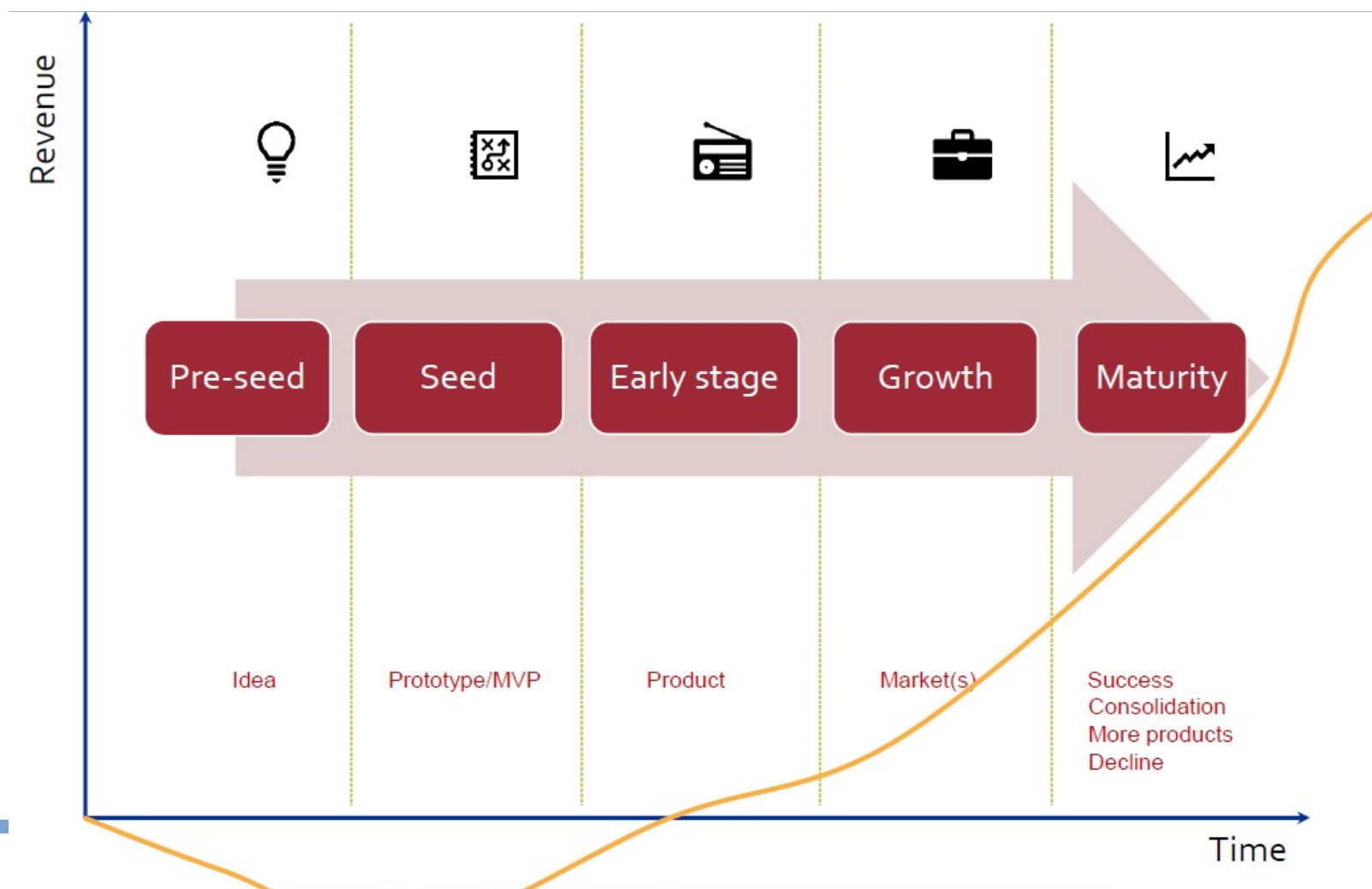
Filippo MAZZARIOL



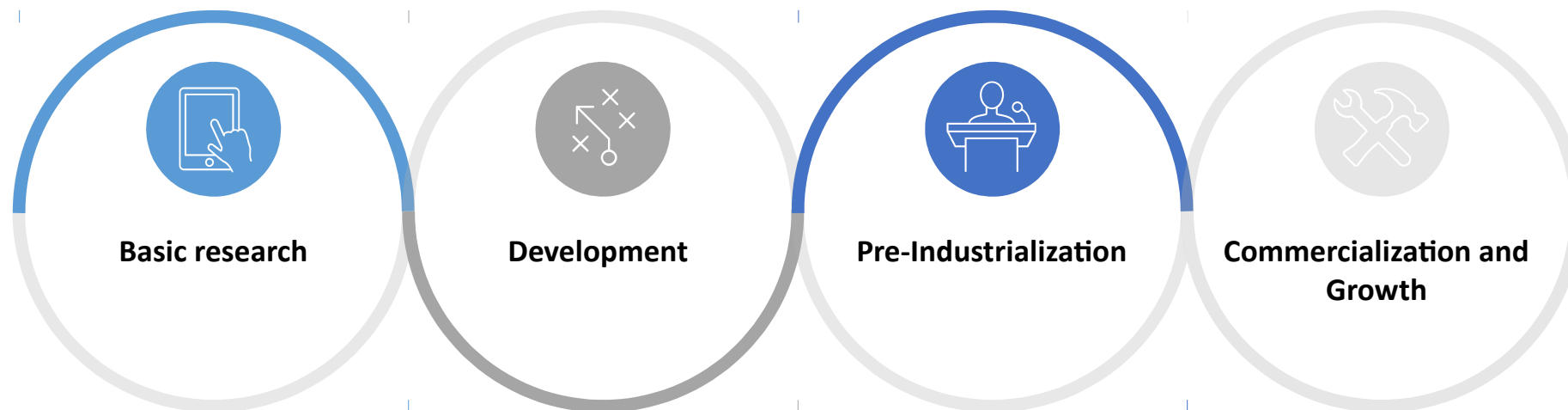
Struttura H2020



Il ciclo aziendale...



Scegli la giusta opportunità



01

- PRE-SEED & SEED CAPITAL
- NATIONAL & REGIONAL FUNDS & INCENTIVES
- H2020 & EUROPEAN FUNDS
- INDUSTRIAL DOC

- ...

02

- H2020 & EUROPEAN FUNDS
- TAX CREDIT
- EQUIPMENT DEPRECIATION
- PATENT BOX

- ...

03

- Accelerator + FTI H2020
- 1ST ROUND EQUITY
- GUARANTEE FUNDS

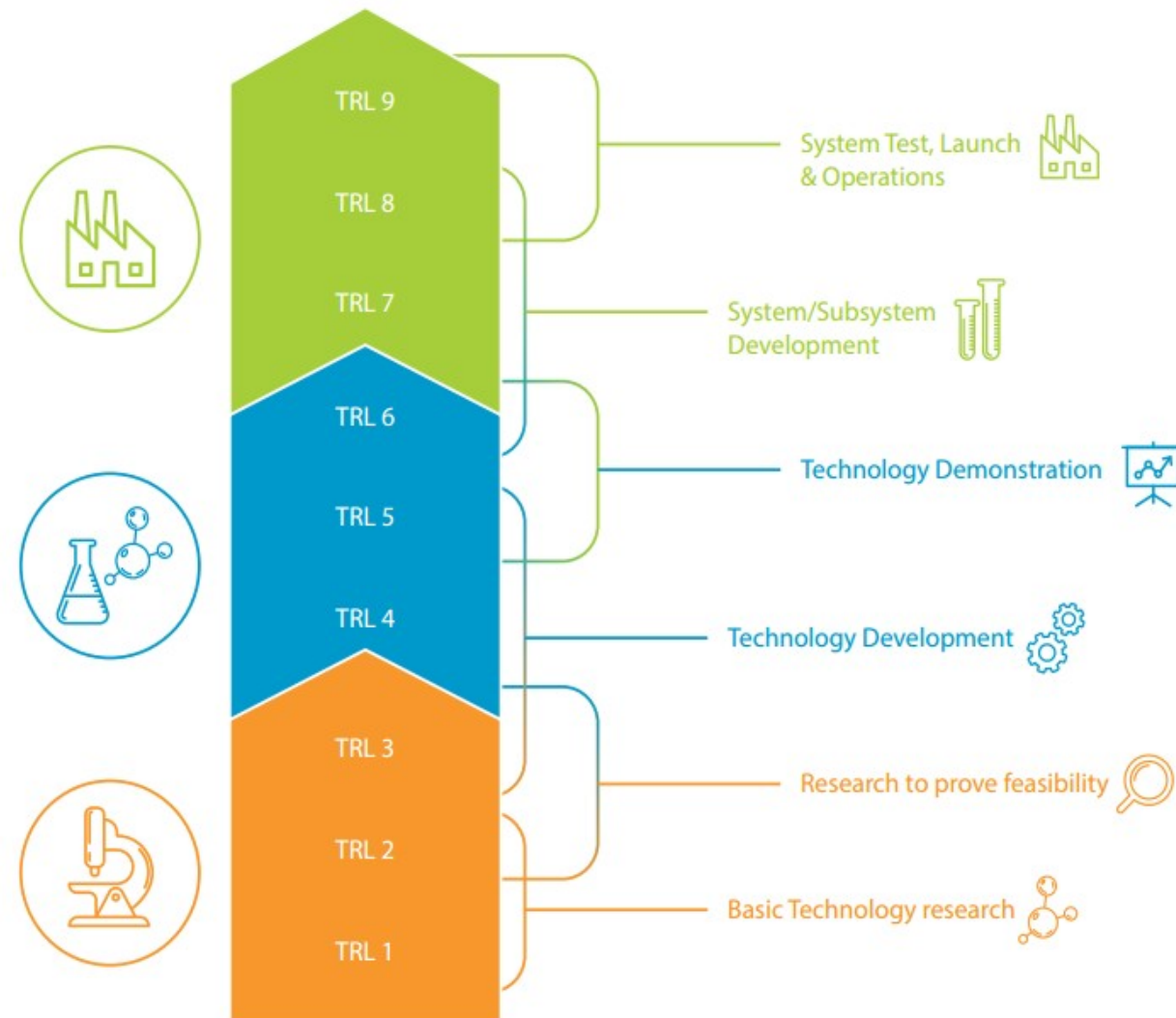
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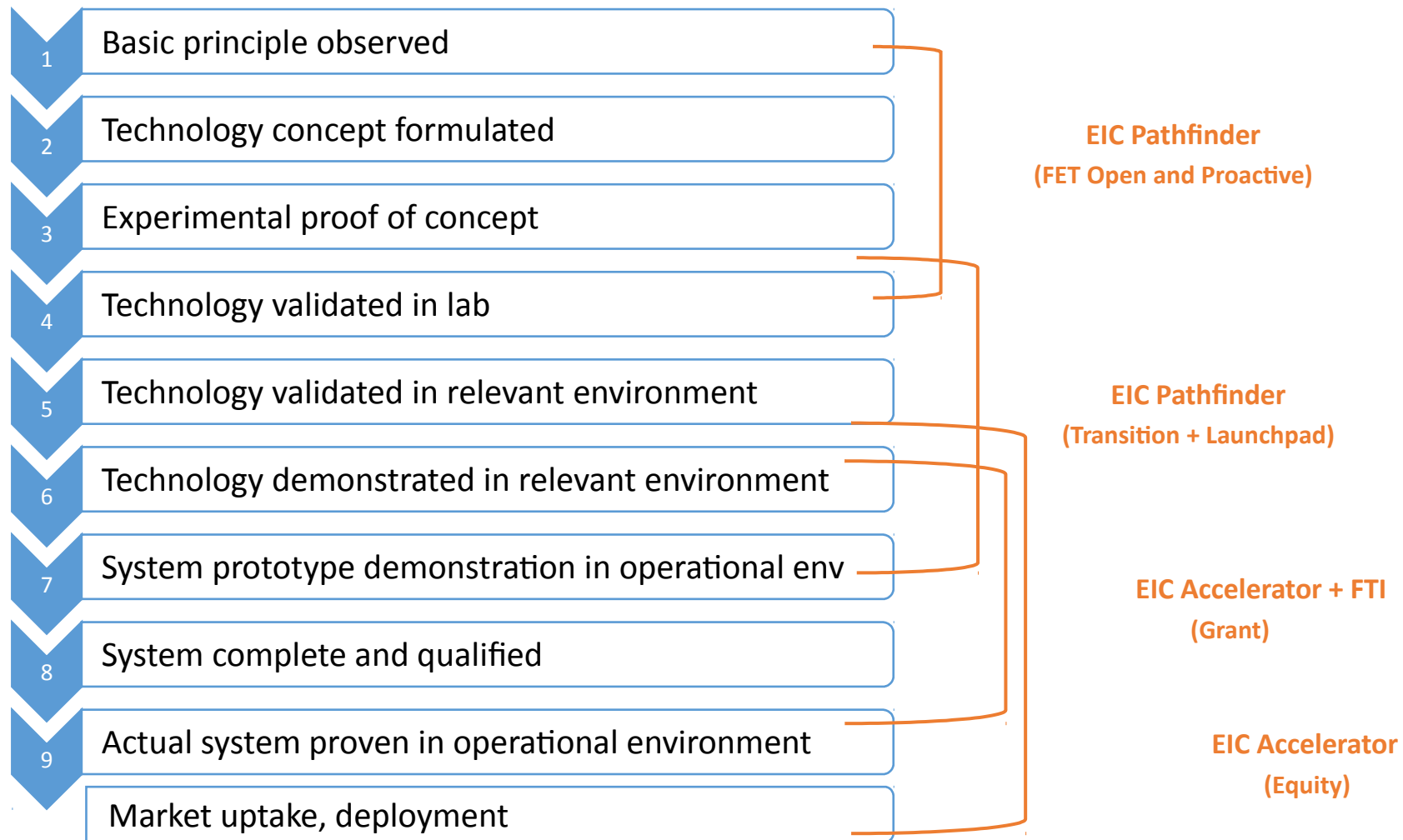
04

- BLENDED ACCELERATOR
- COSME
- DEBT & EQUITY (VC)
- PUBLIC PROCUREMENT

- ...

Technology Readiness Level H2020





Gli strumenti EIC

EIC Accelerator

Strumenti utili

Attenzione a...

Table 3.4 Common pitfalls in business plans

Market	Value proposition	Channel to market (CM)	Financial forecasts
<p><i>"There are no competitors for this product/service"</i> If there is no competition, there may be <u>no</u> <u>customers</u>.</p>	<p>Unsolved but small problem being addressed; that is, not a significant investment opportunity, but suitable lifestyle business?</p>	<p>Access to customer difficult. CM not available unless business builds it; channel occupied by competitor(s).</p>	<p>Assumptions upon which financials are based are not clear or realistic (given market conditions).</p>
<p>Good identification of opportunity, but assessment of customer segment is weak.</p>	<p>More than one business model; business trying to solve too many pain points.</p>	<p>Market entry strategy unrealistic, not novel to stimulate interest in product/service.</p>	<p>Sales growth shows growth in margins (unlikely if market highly competitive and price sensitive).</p>
<p>Using a "percentage of market capture" forecast, for example, "We only need 1% of this \$200million market."</p>	<p>Product too immersed in "deep science"; pathway to market product unclear; that is, is this a tech. solution or business solution?</p>	<p>No clear "scale-up" strategy required for business growth.</p>	<p>Working capital will grow proportionally to growth in sales (must account for credit terms to customers and suppliers).</p>







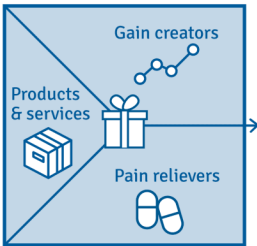

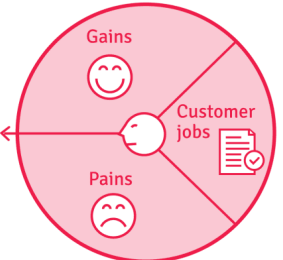
Business Model Canvas Alexander Osterwalder

The Business Model Canvas

Designed for:

Designed by:

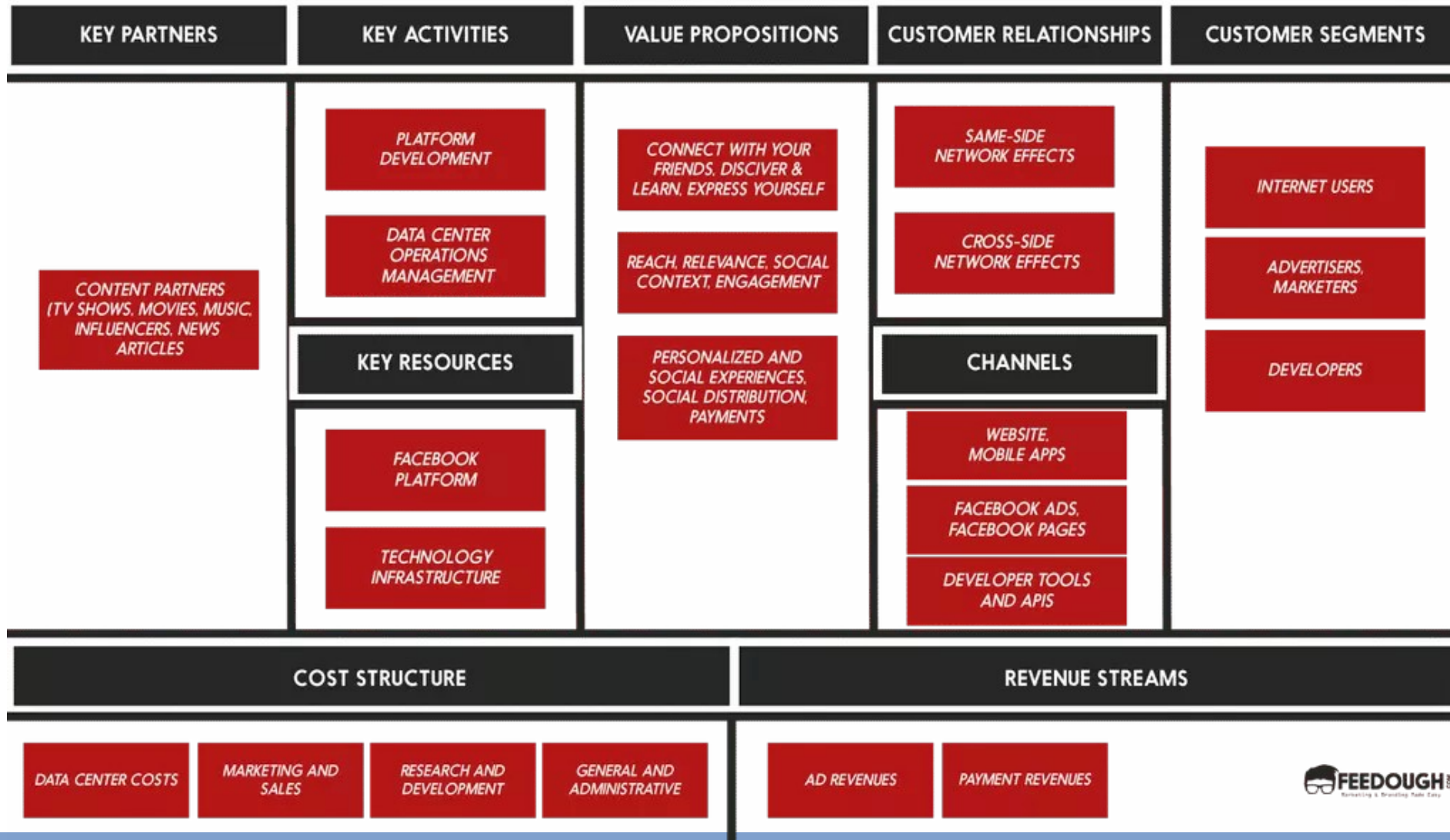
On:
Iteration:

<p>Key Partners</p>  <p>Who are our Key Partners? Who are our key suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform?</p> <p>KEY RESOURCES TO ACQUIRE Distribution and delivery Referrals and partnerships Logistics (particular resources and activities)</p>	<p>Key Activities</p>  <p>What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue streams?</p> <p>KEY ACTIVITIES Production Distribution Product testing Platform Network</p>	<p>Value Propositions</p>  <p>What value do we deliver to the customer? Which one of our customer's problems are we helping to solve? What bundles of products and services are we offering to each Customer Segment? Which customer needs are we satisfying?</p> <p>VALUE PROPOSITIONS Newness Performance Customization "Convenience, All-in-One" Price Place Time Risk Reduction Social Resonance Accessibility</p>	<p>Customer Relationships</p>  <p>What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which ones have we established? How are they integrated with the rest of our business model? How costly are they?</p> <p>CUSTOMER RELATIONSHIPS Personal attention Dedicated Personal Assistant Self-Service Communities Co-creation</p>	<p>Customer Segments</p>  <p>For whom are we creating value? Who are our most important customers?</p> <p>MARKETS Mass Market Segmented Niche and Mass Multi-Sided Platform</p>
<p>Key Resources</p>  <p>What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?</p> <p>KEY RESOURCES Physical Intellectual Human Financial</p>	<p>Value Proposition</p> 	<p>Channels</p>  <p>Through which Channels do our Customer Segments want to be reached? How are we reaching them now? How are our Channels integrated? Which ones work best? Which ones are most cost-efficient? How are we integrating them with customer routines?</p> <p>CHANNELS 1. Direct sales 2. Retail partners 3. Partners (e.g. resellers, retailers, on-regulation body, distributor) 4. Affiliates 5. Self-service (e.g. website, app, phone, chat, support) 6. Delivery 7. Mail or express (e.g. postal, courier, express) 8. Other sales 9. Word of mouth and peer-to-peer support</p>	<p>Customer Profile</p> 	
<p>Cost Structure</p> <p>What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive?</p> <p>KEY COST STRUCTURES Fixed Costs (rent, salaries, utilities) Variable Costs Economies of Scale</p>	<p>Revenue Streams</p> <p>For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute to overall revenues?</p> <p>REVENUE Usage fee Subscription Fee Licensing Advertising Freemium</p> <p>REVENUE STREAMS Product Sales (one-time) Product Sales (recurring) Usage-based Performance-based Advertising</p>			

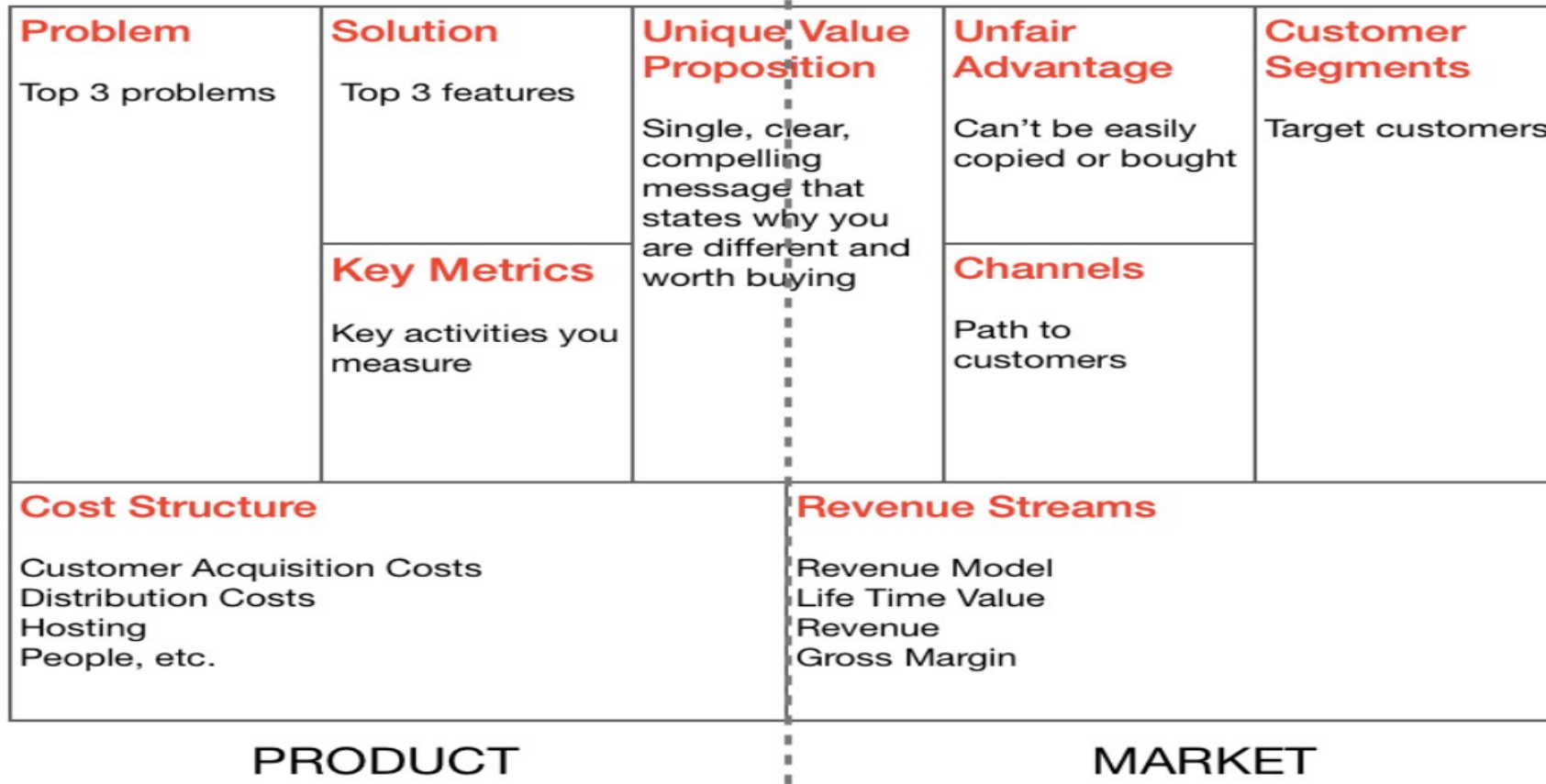
www.businessmodelgeneration.com

This work is licensed under the Creative Commons Attribution-ShareAlike 4.0 International License. To view a copy of this license, visit <http://creativecommons.org/licenses/by-sa/4.0/> or send a letter to Creative Commons, 2909 Market Street, Suite 905, San Francisco, California, 94103, USA.





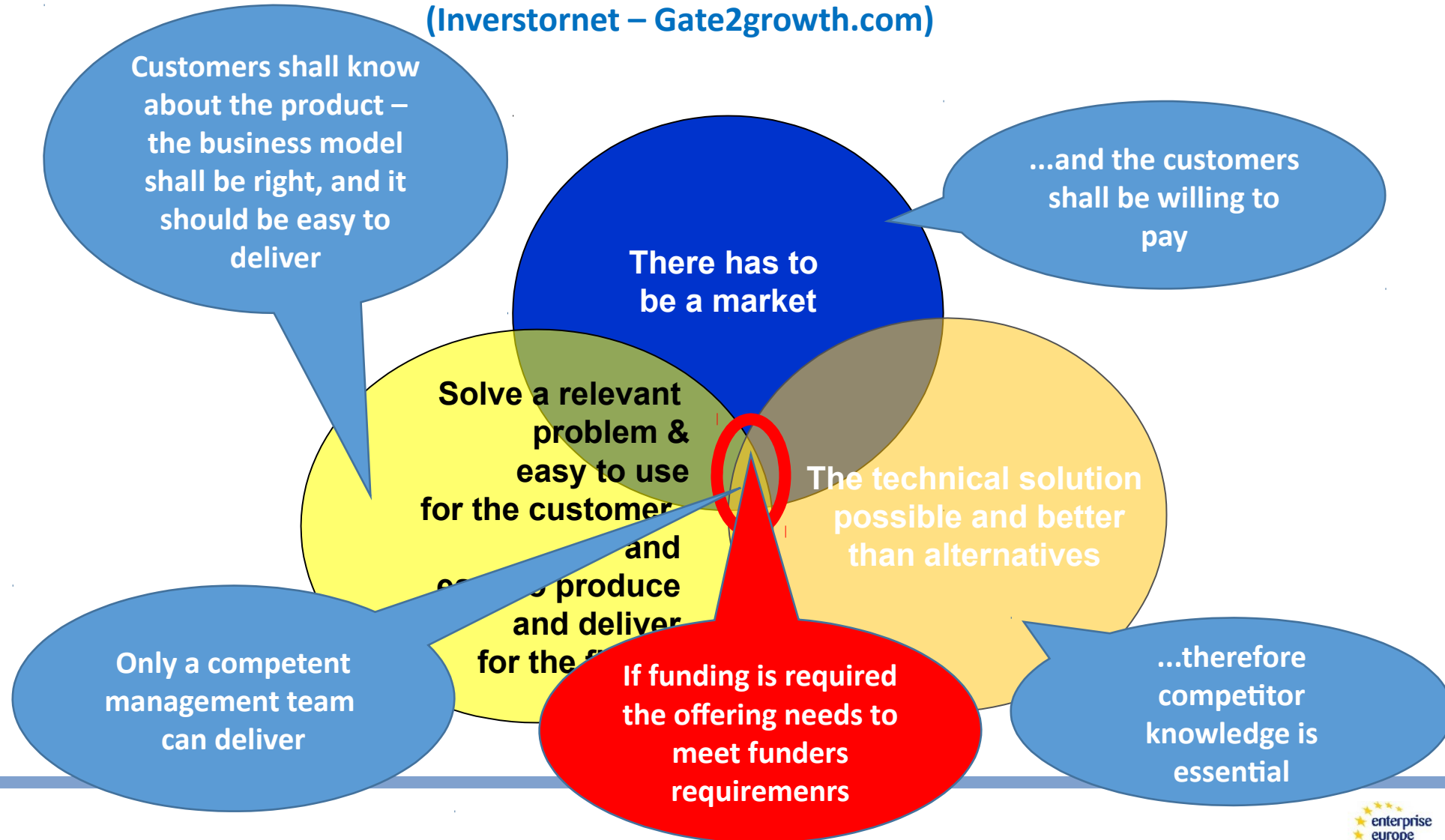
Business Model - LEAN CANVAS - Ash Maurya



Lean Canvas is adapted from The Business Model Canvas (<http://www.businessmodelgeneration.com>) and is licensed under the Creative Commons Attribution-Share Alike 3.0 Un-ported License.

Costruire un business case "reale"

(Inverstornet – Gate2growth.com)



Da SME INSTRUMENT a EIC ACCELERATOR

Cosa cambia?

Dopo la scadenza del 5 giugno 2019 EIC Accelerator ha sostituito SME Instrument:

- ✓ Introduzione della *blended finance* (grant + equity opzionale)
- ✓ Proposte “solo grant” o “finanza mista”
- ✓ Solo singole PMI for-profit
- ✓ Nuovo template di proposta
- ✓ Ultima opportunità per SME Instrument Fase 1: 5 settembre 2019

Accelerator Pilot

Dall'esperienza SME Instrument

Target: PMI/Start up/Spin off singoli con innovazioni ad alto rischio e alto potenziale di crescita

Obiettivo: “conquistare” nuovi mercati e “distruggere” quelli esistenti

Finanziamento: per gli ultimi stadi di sviluppo

Bottom-up: tutti i settori, prodotti, servizi, nuovi business model

Grant

€0,5 – 2,5 milioni (tasso di finanziamento al 70% del totale dei costi)

Novità con l'opzione equity (blended finance)

Fino a €15 milioni

Scadenze EIC Accelerator “Grant only” o “blended finance”

09 ottobre 2019

08 gennaio 2020

18 marzo 2020

19 Maggio 2020

07 ottobre 2020

Circa 1 miliardo € di budget

EIC Accelerator Pilot – Proposal template

Document 1 - Proposal template

Summary

1. Excellence

- Idea and solution
- Innovativeness
- Stage of development

2. Impact

- Market and customers
- Commercialisation strategy
- External Strategic Partners
- Intellectual property
- Scale up potential
- Key Performance Indicators
- Broader impact

3. Implementation

- Team and capabilities
- Financing needs
- Equity (if blended finance requested)
- Need for EIC support
- Risks
- Approach
- Work packages, deliverables, milestones
- Resources

Document 2 - Annex 1 – 3

- Annex 1 – Security and Ethics;
- Annex 2 – CVs
- Annex 3 –Others

Documents 4 and 5

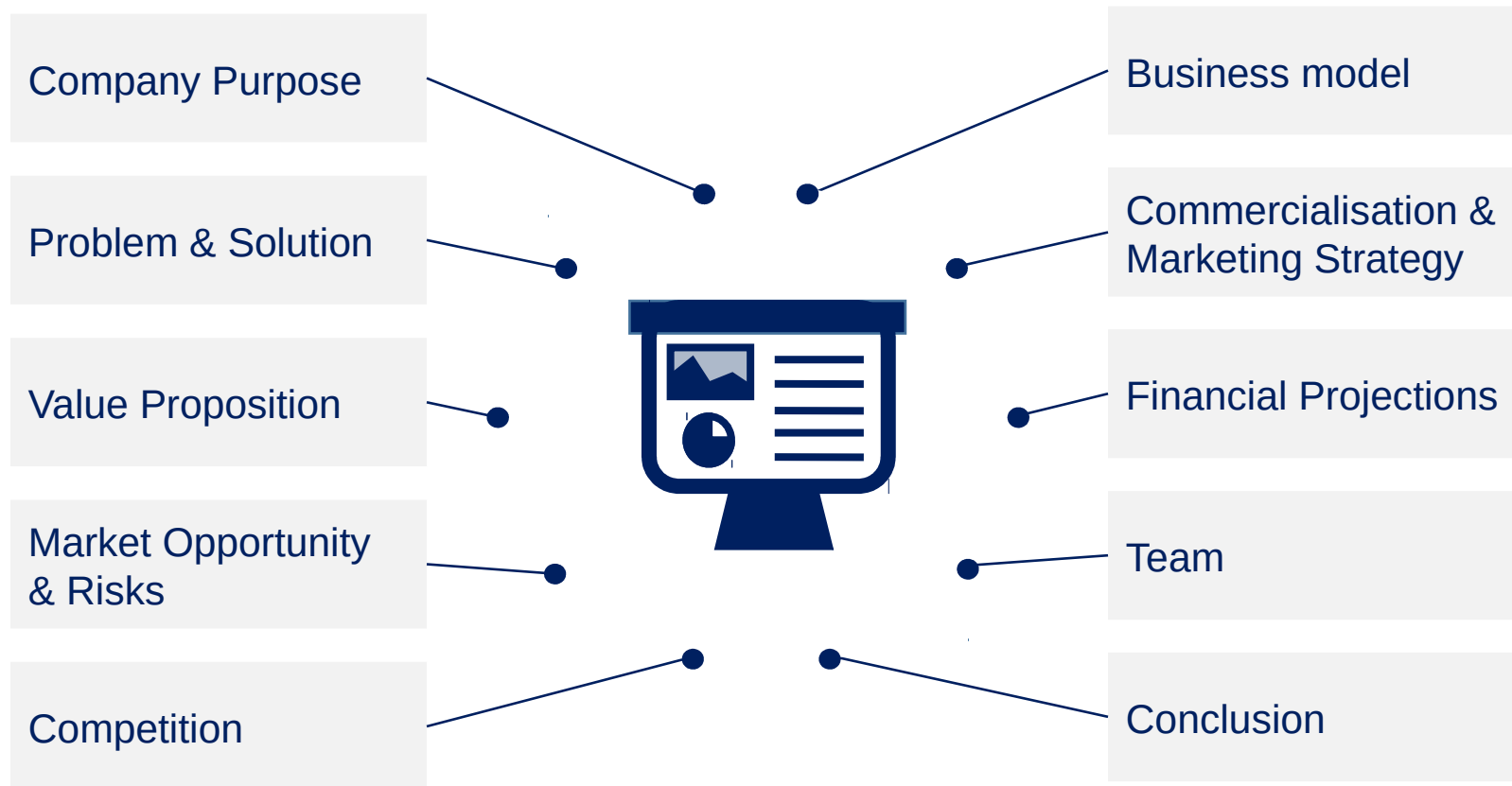
Annex 4 – Financial and corporate information Excel file

Annex 5 – Pitch-deck

Annex 4 – Financial and Corporate information (excel file)

- Simplified financial information on revenues, expenditures, cash flow and balance sheet;
- Company up-to-date financial data relating to cash and debt;
- Summary information about company financial history;
- Company ownership and capital structure (Blended applicants only);
- Information about current financing round.

Annex 5 - Pitch di 10 slide



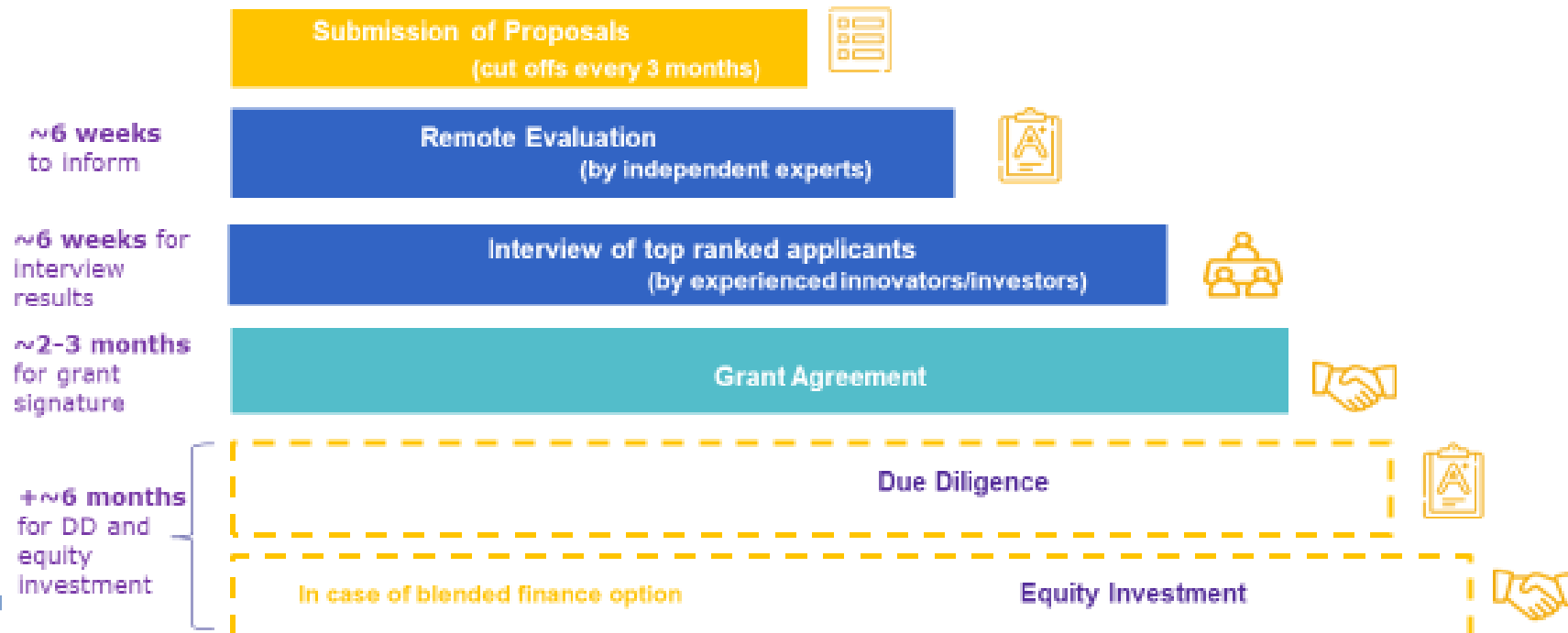
<https://ec.europa.eu/easme/sites/easme-site/files/eic-pilot-sme-instrument-pitch-deck-templates.pdf>

EUROPEAN INNOVATION COUNCIL

The EIC Accelerator pilot A fast, simple process in transparent steps

Responsibility

-  Applicants
-  Experts
-  EIC team
-  EIC Fund (blended-finance only)



Il Fondo EIC

Non proprio un Venture Capital...

Commission evaluates and selects

EIC Fund supports the Commission and manages the investment

Return on investment ? Impact investment

Revenues – if any – will be recycled

Grant will impact equity, and vice-versa (fraud, go/no go decisions)

Structured **via separate agreement** (next to grant agreement)

The **EC** will be advised by experts but retains the last say in the investment decision

EIC Fund will play a **passive role** in the daily management of the company (**preferred rights**).

Exit strategy: different exit routes set case by case (ideally, company reaching growth/maturity attractive to investors)

Cosa interessa a un VC?

Team

The team makes all the difference and is for me the most important aspect of any venture. A bad team will not succeed with a good idea but a good team would turn even the least likely to succeed

Problem / Solution

Often proposals are not convincing with regards to the current problem and the added value of the proposed solution.

Market

There is little interest in healthy, steady, low growth businesses. The potential market needs to be of substantial size and scale

Proof of Concept

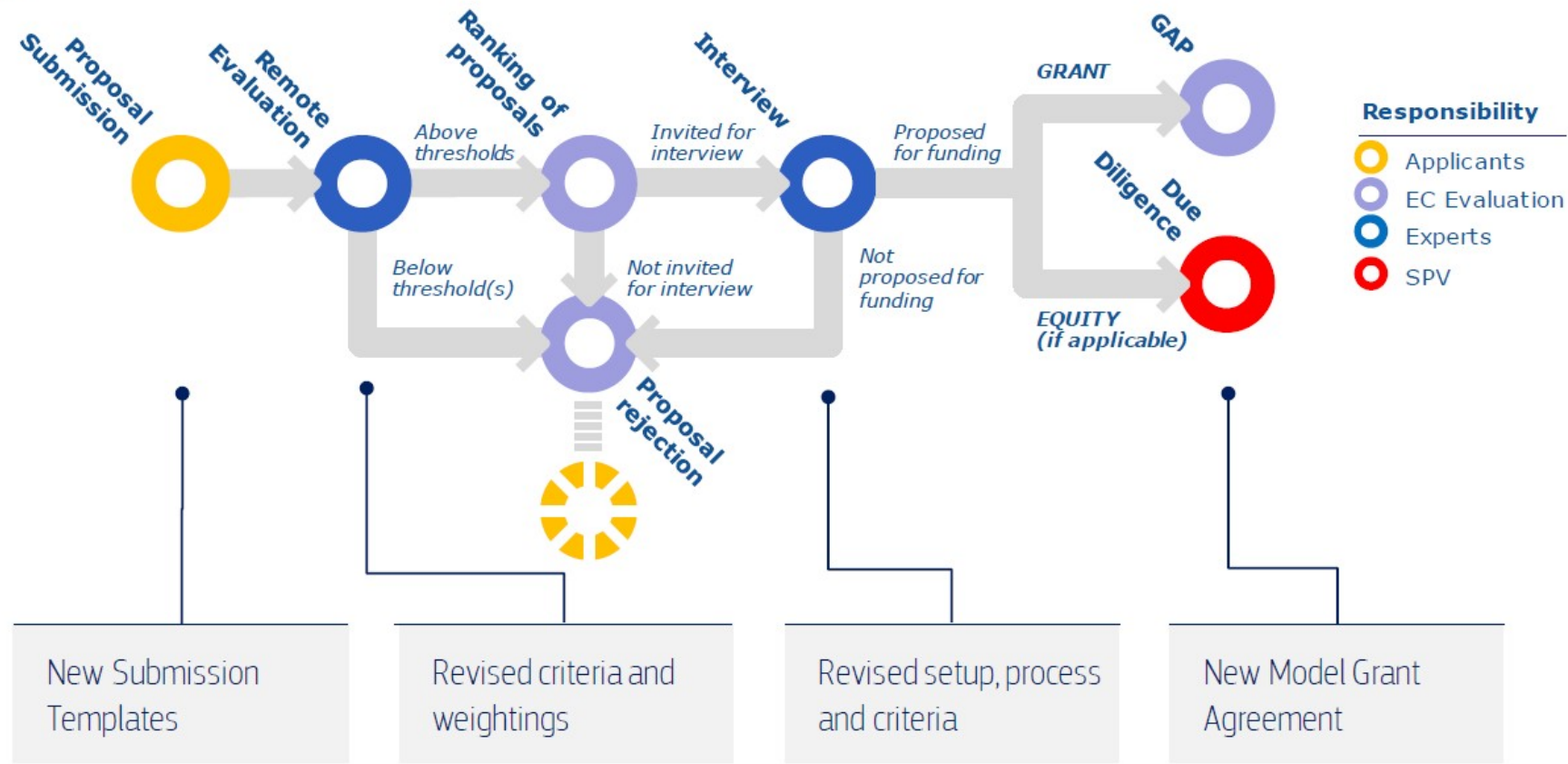
In order to reduce risks VC's want to see a clear proof of concept with excellent growth and market traction, conversion metrics

Financials / Business Model

With all this in place, then the business model also has to make sense. There are too many projects which are unsustainable and don't have a monetisation strategy which is convincing

Processo di valutazione

Concrete changes in the submission and evaluation process in relation to the new features in the WP



Part A – Administrative form

Additional call specific questions:

- Request for blended finance and associated equity amount requested
- Consent to receive counter-offer with requested grant amount for activities above TRL8 in the form of blended finance

Part A – Importance of the call specific questions

5 - Call specific questions

Call specific declaration(s)

Are you requesting blended finance (combination of a grant with an investment in equity)?

If you are applying for grant-only, and should the evaluation conclude there are activities above TRL 8 in your proposal, do you give the European Commission consent to provide the requested amount of funding in the form of blended finance? Yes No



- Not considered for blended finance
- If applicants cannot demonstrate they have the ability to secure resources for the activities above TRL 8, the proposal will be rejected
- If such an ability is properly demonstrated, applicant can receive the grant requested reduced by the budget of the Work Package(s) containing activities above TRL 8



- Applicants of proposals selected to be funded will receive a blended finance offer.
- Grant part will be the requested amount in the proposal, reduced by the budget of the Work Package(s) containing activities above TRL 8.
- Equity part will include the sum of the budget for the Work Package(s) containing activities above TRL8.

Part B / Section 1-3 – Alignment of the structure with business canvas, simplification and new requirements

Structure

Introduction	1 - Excellence	2 - Impact	3 - Implementation
- Basic information & summaries (1)	- Idea and solution - Innovativeness - Stage of development - Feasibility and risks	- Market and customers - Commercialisation strategy - External strategic partners - IP - Scale-up potential (2) - KPI - Broader impact	- Team and capabilities - Financing needs (3) - Need EIC support (4) - Risks - Approach - Resources

 Simplified

 Newly introduced or increasing focus

(1) Help to get a rapid understanding of the innovation and put in context

(2) Increased focus in the WP, including in step 2 of the evaluation

(3) (4) Newly introduced in the WP (leveraging of investments and non-bankability)



Annex 4 – Financial & Corporate Information will support the evaluation of the award criteria

Structure

Table 1 - Simplified financials

- Profit & Loss
- Cash flows
- Balance sheet
- Business metrics and ratios

Table 2 – Company financial data

Table 3 – Company financing history

Table 4 – Company ownership and capital structure (Blended applicants only)

Table 5 – Current financing round



Figures for the company in k€

Particular Use / Relevance

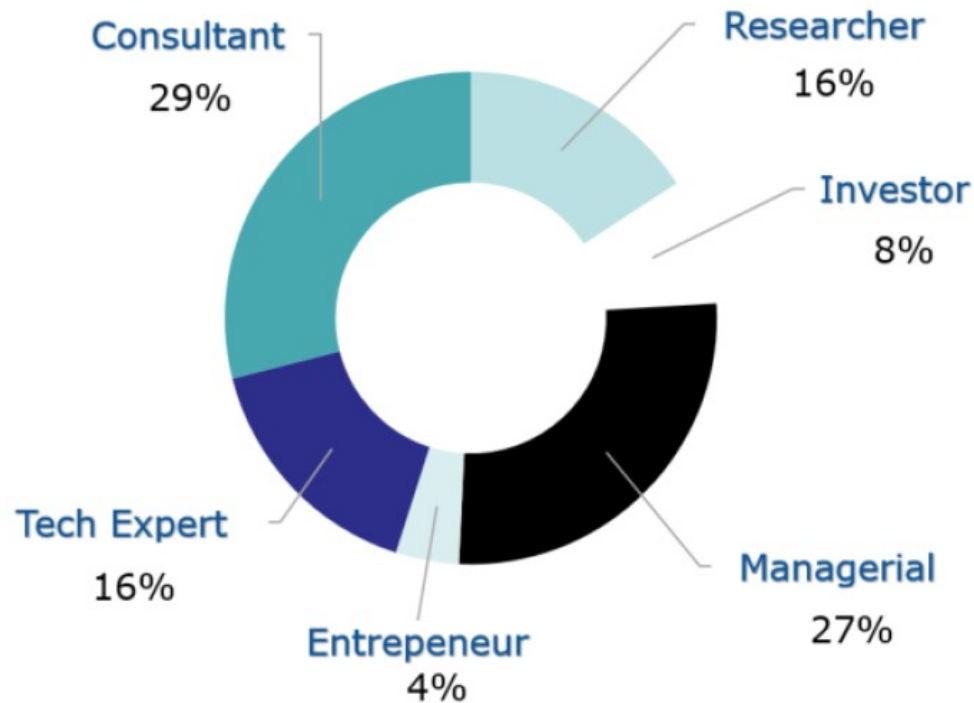
- Financial information required to substantiate the financial needs, being for grant-only and blended finance
 - Ownership & capital structure is relevant for blended finance requests to understand nature and importance of owners
 - Information on current financing round will be useful to explain the remaining financing provided by other sources
 - Cashflow gives indication on solvency and ability to further finance the innovation
- Financing track-records and current efforts will be used to substantiate the need for EIC support

EVALUATION ⇒ Implementation / leveraging of investments and non-bankability – Step 1 & 2

- Simplified financials will also be used to quantify the scale-up potential of the innovation (impact)
- EVALUATION ⇒ Impact / potential to scale-up – Step 1 & 2

Remote evaluation – experts

Professional background

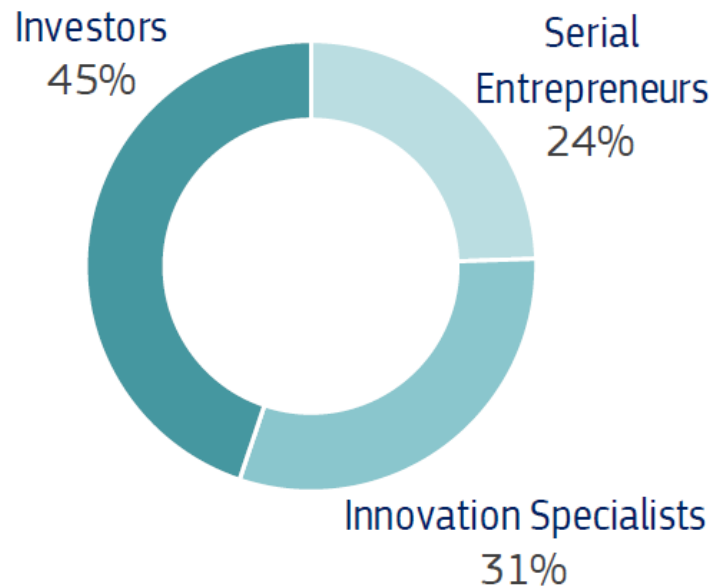


- 2529 experts.
- 52% Women.
- 38% Business profile, 32% Finance profile and 30% Innovation profile.
- 45% Private for profit organisation, 13% Public organisation, 8% Academic, 6% Research organisation.
- 79 different nationalities covered. Spain most represented, followed by Italy and Germany.



Jury interview – the experts

Distribution of profile



- Experts with a large diversity, both in terms of profiles and gender.
- 25% of the experts are Venture Capitalists, 31% Innovation and Industry Specialists, 24% Serial Entrepreneurs, 20% Business Angels.
- They come from the financial sector or large corporates, they mentor start-ups, they manage innovation hubs and accelerators, etc.
- Together they cover 33 different countries and 61% of the experts are women.

<https://ec.europa.eu/easme/en/section/sme-instrument/evaluations-eic-accelerator-sm-e-instrument>

Interviste – dove, quando, chi, come?



- Tutte le interviste avranno luogo a Bruxelles e si terranno nell'arco di una settimana
- Slot 2019-2020: 18-22 nov; 17-21 feb; 4-8 mag; 29 giu – 3 lug; 16-20 nov
- Le aziende devono dare la loro disponibilità al momento della submission

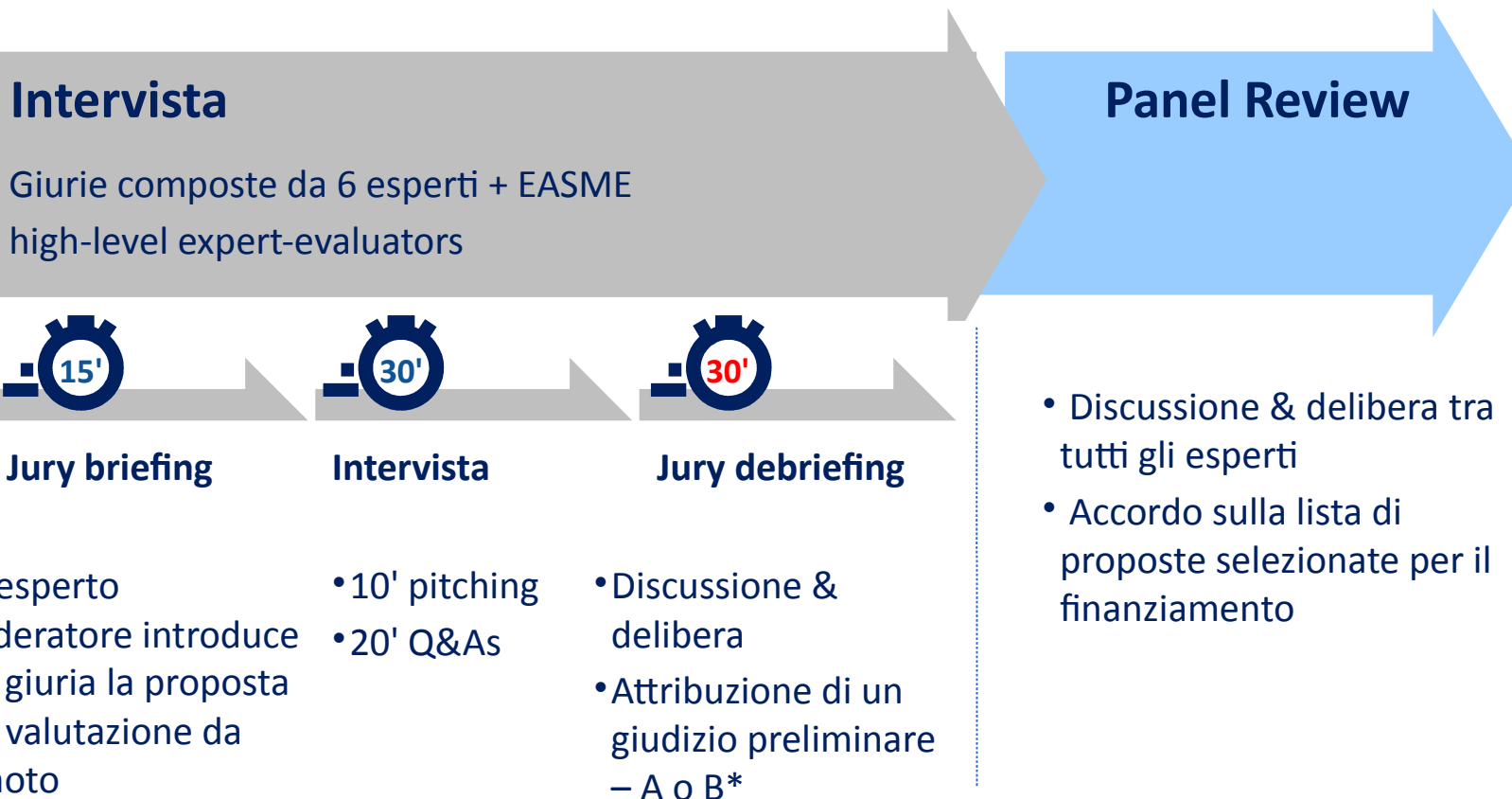


- Max 3 rappresentanti per azienda/proposta
- Vietata la presenza di parti terze (no consulenti)
- Raccomandata la presenza di figure aziendali chiave



- **Le aziende devono preparare un pitch e inviarlo al momento dell'application**
- Modello di pitch fornito dalla Commissione
- Standard template scaricabile sul PP/EASME

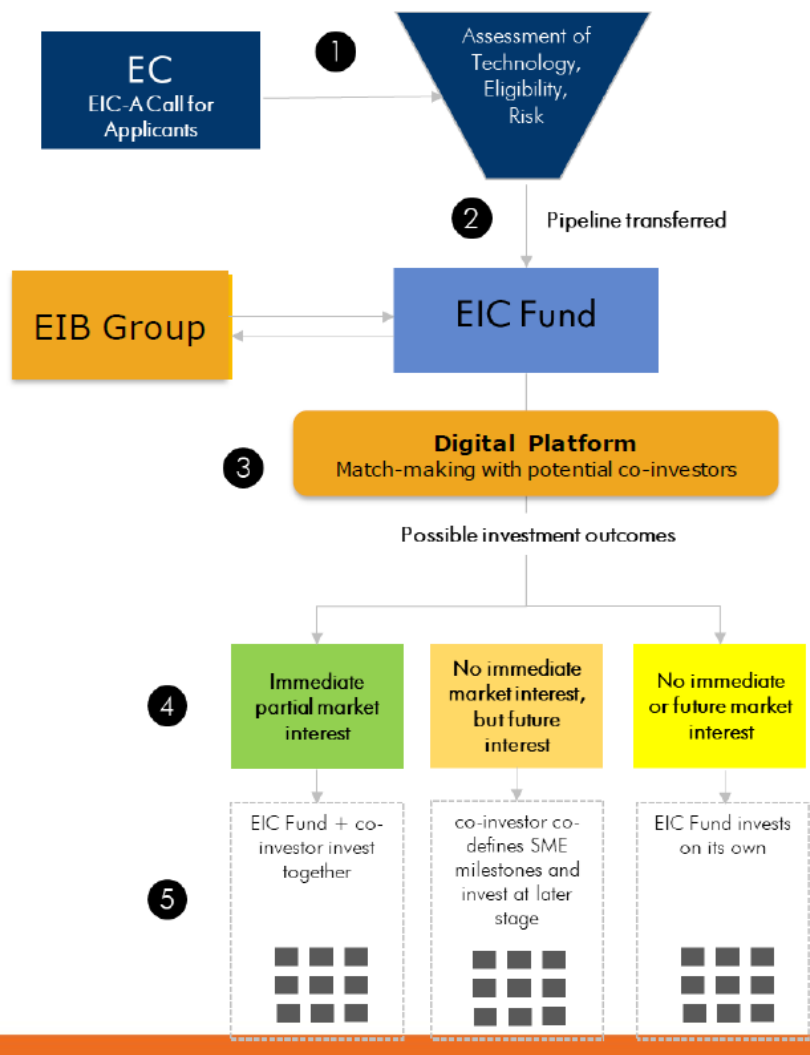
Interviste – Come?



* (A) Proposta per il finanziamento – (B) Non proposta per il finanziamento

Blended finance

EIC Fund Investment Flow



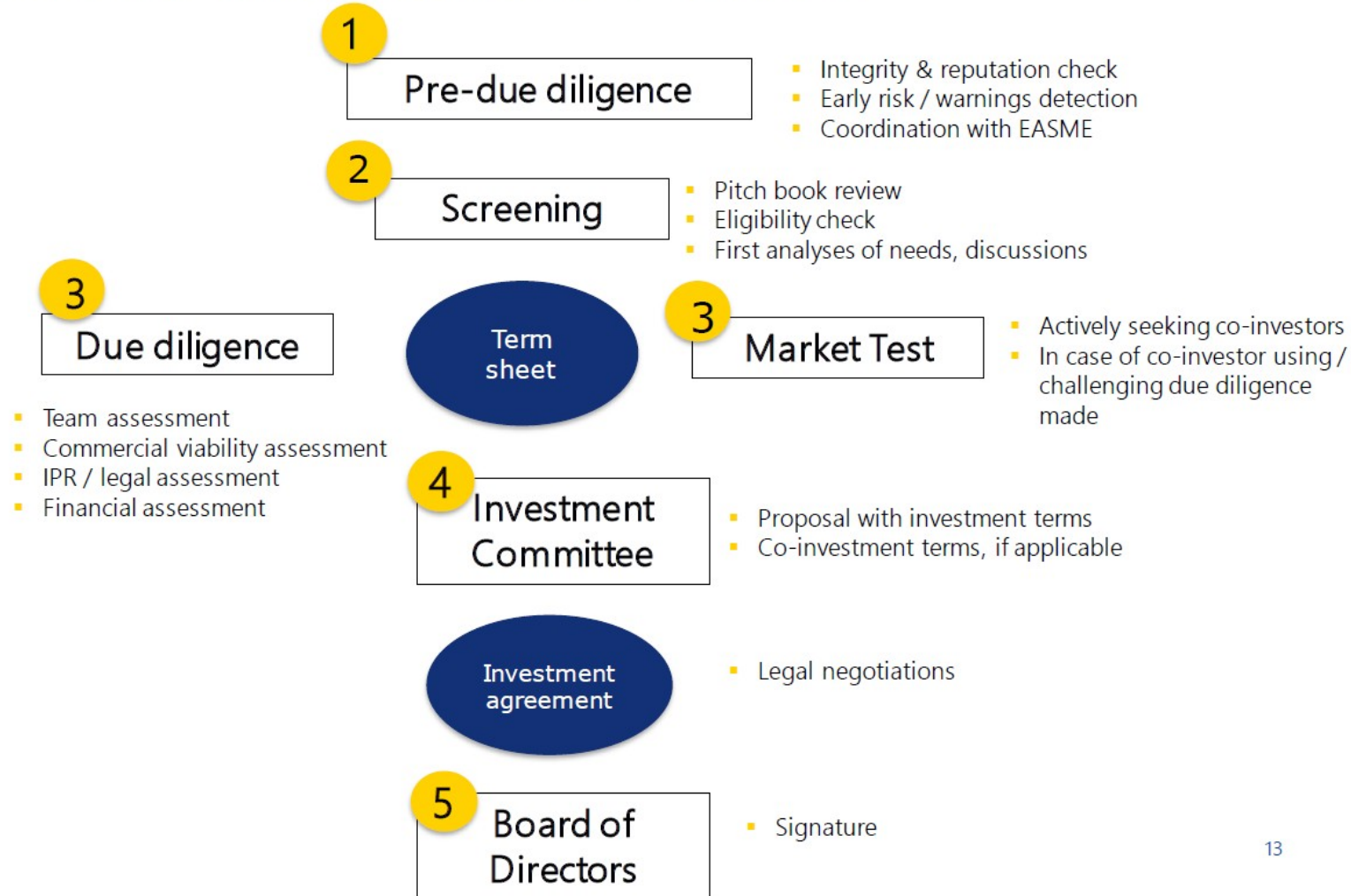
- **EC driven deal flow.** EIB Group will **supplement the pipeline of quality opportunities** by leveraging on its investment network across EU and channel prospective applicants to the EIC Call

- Qualified startups will be **showcased to the EIB Group network of European investors** to **maximise co-investment opportunities**

- **EIB Group will aim to co-invest with the identified investors subject to the founders consent to the terms**, EIB Group will adopt facilitating and curating role. In absence of immediate market interest EIC Fund may invest alone

- **EIB Group will attract expert mentoring, venture partners and entrepreneurs** in residence with relevant market/industry expertise

EIC Fund Investment Process



13

Project management

Novelties



- Linked contracts: grant agreement linked to investment agreement (for equity actions)
- Progress meetings normally every 6 months
- Simplified payments
- Simplified reporting
- Suspension/termination process may include a meeting
- Reorientation of the action

Linked contracts (for equity)

Two separate but mutually conditional and interdependent linked agreements:

- the grant agreement with the Commission; and
- the equity investment agreement with the EIC fund

The two agreements will be managed in close coordination, so that both the Commission and the EIC fund can properly monitor the implementation of the overall project

 Issues in one agreement may impact the other 

- suspension in one action may lead to suspension also of the other action
- termination of the grant will normally suspend further investment in equity and the SPV will exit from investment already effected and vice versa

Progress meetings

Progress meetings will normally take place in months 6, 12, 18 and 21, **if convened by the Commission/Agency.**

Content of the progress meeting:

- Work carried out during the period covered by the progress meeting
- Requests regarding in-kind contribution against payments, in kind contribution free of charge and request regarding subcontracting
- Discussions regarding the request for extension of the duration



TACIT APPROVAL



The work carried out during the period covered by the progress meeting, and the requests for in-kind contributions and subcontracting will be considered approved within 15 days following the meeting, unless Commission rejects or launches a suspension/termination

Simplified payments

For short actions an initial pre-financing and final payment

For longer actions additional pre-financing payments

NO INTERIM PAYMENTS BUT ADDITIONAL PRE- FINANCING

Simplified reporting

Interim periodic reports only in case of additional pre financing

Financial reporting only at the end of the project (Final Report)

Link utili

Horizon 2020

<http://ec.europa.eu/programmes/horizon2020/>

Horizon Europe

https://ec.europa.eu/info/horizon-europe-next-research-and-innovation-framework-programme_en

Funding and tenders portal

<https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/home>

EIC

<https://ec.europa.eu/research/eic/index.cfm>

EASME

<https://ec.europa.eu/easme/en>

APRE

<http://www.apre.it/>

Access4SMEs

<http://www.access4smes.eu/>

Grazie per l'attenzione

Filippo Mazzariol

