

EIC Accelerator implementation update

By Anonymous (not verified), 21 June, 2022

The EIC Accelerator, with a unique offer of grants, blended finance and equity investments, has proven to be of high interest for start-ups and SMEs since its launch in March 2021. In particular with the current market context showing a withdrawal of new deep-tech investments by Venture Capital groups, the role of the EIC Accelerator is becoming increasingly important to provide early-stage support to promising start-ups and crowd-in other investors. Since its launch in April 2021, the EIC Accelerator has received over 7200 short applications (assessed on a continuous basis) and nearly 4000 full applications submitted to regular cut-offs (805 to the June 2021 cut-off, 1098 to the October 2021 cut-off, 1091 to the March 2022 cut-off and 986 to the June 2022 cut-off). The next cut-off for full applications is 5 October 2022. Due to the need of the restructuring of the EIC Fund under the provisions of the Horizon Europe legislation, the funding support to companies selected by the EIC Accelerator is still experiencing delays in some cases. The Commission and its EIC & SMEs Executive Agency (EISMEA) are making every effort to fast track the support to companies, to overcome the delays being encountered, and to ensure that such delays will not occur in future. In the large majority of cases, EISMEA has now signed contracts for the grant component with companies selected in the June and October 2021 cut-offs (58 of the 63 selected following the June cut-off and 39 of the 99 selected following the October cut-off). All of the remaining contracts should be signed by October. For the companies selected following the March 2022 cut-off, grants are in preparation and the first ones are due to be signed in October 2022. Companies receive the first payment within 10 days after the grant signature. Regarding the investment support, following the [first investment decision](#) announced on 14 June, the due diligence conducted by the European Investment Bank in its role as investment advisers is progressing rapidly for companies selected in 2021. This will enable the independent Fund Manager, once appointed, to make the investment decisions. When the new EIC Fund arrangements are in place, the time for implementing the grants and investment support for companies selected by the EIC Accelerator will be progressively reduced in order to meet the needs of Europe's fast-moving technology start-ups. A full overview of the situation on 4 August 2022 with regard to the implementation of the EIC Accelerator as well as on the negotiations with an external Fund Manager of the EIC Fund is provided below. In the meantime, the EIC continues to look ahead to support its mission of backing Europe's visionary entrepreneurs. The EIC Board adopted new strategic goals and Key Performance Indicators [in June](#). These include operational excellence KPIs such as first grant payments within 4-5 months of application to the EIC and for the EIC Fund to agree to investment term sheets within 8 weeks. The EIC will also continue to actively manage deep-tech portfolios to support strategic technological autonomy, in areas such as [Biotech](#); support EIC beneficiaries through its Business Acceleration Services; gather strategic intelligence; and much more. Detailed implementation state of play 4 August 2022: EIC Fund: The appointment of an external EIC Fund Manager is ongoing. With the due diligence for equity investments and other preparatory work that has already started for many cases, we expect quick progress with the current backlog of investment immediately after the appointment of the external Fund Manager. EIC Accelerator: For the June 2021 cut-off, 63 companies were selected for funding following the evaluation of the full applications:

- 29 companies requested grant-only or grant-first support. 29 pre-financings have been paid.
- 30 companies requested blended finance, including a grant component and equity investment. 29 contracts for grant component have been signed. For the equity investment component of these 30 companies, and the 4 companies selected for equity-only, the signature of most of the investment agreements will start in the summer and will continue to take place until the end of the year.

In the October 2021 cut-off, 99 companies were selected for support:

- 34 companies have requested grant-only or grant-first support. 28 contracts have been signed and the majority of the remaining ones are planned to be signed in August.
- 10 of the 61 companies selected for blended finance signed their grant component contracts. The majority of the remaining 51 are planned to be signed in August. 1 investment decision has been taken. The signatures of most of the investment agreements for the equity component will start in the summer and will continue to take place until the end of the year. For 4 equity-only projects from this cut-off the same timeline applies for the investment component.

In the March 2022 cut-off, 74 companies were selected for funding following the evaluation of their full applications. Kick off meetings have taken place and negotiations are on track.

- 36 companies requested grant only or grant first options. 38 requested blended finance and equity only. In most cases, the companies will receive the grant financing within 5-8 months, while the finalisation of most of the equity investment is expected from autumn until early 2024.

In the June 2022 cut-off, 986 companies have submitted full applications for the. In mid-September 2022 the final stage of evaluation will take place