



Strategic Goals and Key Performance Indicators

Statement by the European Innovation Council Board, June 2022

The European Innovation Council (EIC) was established to identify, develop and scale up breakthrough technologies and companies, which are critical for EU policies to achieve the green and digital transition and help ensure future strategic autonomy in critical technologies.

The previous EIC pilot Advisory Board set out an ambitious vision for the EIC, which we, as the EIC Board, fully endorse. In light of the experience from the EIC pilot, we have revised upwards and enlarged these goals for the period 2021-27 and the underpinning Key Performance Indicators. We recommend six strategic goals, with associated key performance indicators, in order to provide clear direction, track progress, and guide implementation and potential new actions. The baselines and progress will be included in the annual EIC impact reports.



Six Strategic Goals for the EIC

- + To be the investor of choice for those with visionary ideas: The EIC must have continent-wide recognition and traction with high potential startups, entrepreneurs and innovative researchers, in particular from under-represented groups such as women innovators and those from less developed ecosystems.
- + To crowd in €30-50 billion investment into European deep tech: The EIC must bridge a critical financing gap faced by deep-tech companies and leverage the EIC Fund to influence the allocation of private assets in support of deep tech companies in the EU.
- + To pull through high risk technologies in critical areas for society and strategic autonomy: The EIC must take risks and support the most promising deep tech opportunities from the earliest stage to commercial scale up, delivering relevant innovations for society and safeguarding against dependencies for key technologies.
- + To increase the number of European unicorns and scale ups: The EIC must support the growth and scaling up of European start-ups and SMEs to match and ultimately surpass the performance of the US and Asia.
- + To catalyse innovation impacts from European public R&D: The EIC must build partnerships to draw on, and commercialise, the best ideas from the research base across the EU, and scaleup start-ups funded under other EU or national initiatives.
- + To achieve operational excellence: The agility and speed of EIC operations and decision-making must align with the expectations of applicants, investors and market norms.

¹ https://eic.ec.europa.eu/system/files/2021-03/ec_eic_position-paper-kpis.pdf



Key Performance Indicators

Investor of Choice

- High **Net Promoter Score** from EIC participants
- Increased share of EIC supported **start-ups and research projects led by women**
- Increased share of EIC supported **startups and research project partners from widening countries**

Crowding in Investment

- EIC Fund multiplier of **3-5 times at portfolio level from co-investors**
- **Follow up investments on portfolio** of 3-5 times the EIC support in the 3 years following EIC support

Pulling through high risk technologies

- High share of EIC **companies in priority deep tech areas**
- High share of citations and patents from EIC **projects in priority deep tech areas**

Increasing European scaleups

- Increased number of EIC supported centaur companies
- Increased number of EIC supported unicorns
- Employment and revenue growth of EIC companies

Catalysing Innovation Impacts

- Increased number of EIC research **results turned into new companies or commercial deals**
- Increased number of EIC supported companies emerging from EIC research projects, ERC, EIT and national programmes

Operational Excellence

- Startups to receive **first grant payment within 4-5 months** of applying to the EIC
- EIC Fund to agree **investment term sheet within 8 weeks**



Current status and future ambitions

Launched as a pilot in 2018 under Horizon 2020, and as a fully-fledged programme in March 2021 under Horizon Europe, the EIC has seen significant demand and attractiveness, with over 1000 applications for each round of Accelerator funding, and over 1000 applications to the yearly Pathfinder calls. Over 70 percent of applicants to the EIC pilot gave a high net promoter score. While the share of women led startups supported by the EIC more than doubled in 2020 to over 20 percent, this progress stalled in 2021. Participation of startups from widening countries remains low (less than 10 percent on average) and the EIC Board is preparing advice on how to increase this.

The EIC pilot achieved remarkable leverage on investments, with EIC supported companies attracting over €10 billion, and including 5 “unicorns” and over 90 “centaurs”. Further, the first set of investments via the EIC Fund attracted a multiple of 2.7 in co-investments by Venture Capital funds and other investors. However, the delays in investments since the launch of the EIC represent a major setback and the restructured EIC Fund must go further and faster in attracting co-investors.

The EIC has supported and invested in a strong portfolio of technologies and companies in green, digital and health fields. Nevertheless further targeting, benchmarking and strategic intelligence is needed to position the EIC ahead of the curve in spotting and supporting emerging areas. A stronger information base is also needed to track how well the EIC performs in pulling through outputs from European research projects and national programmes, although we are very much encouraged by the early successes of the EIC Transition scheme pulling through ERC proof of concept recipients, and of the new Fast Track scheme for startups coming from the Knowledge and Innovation Communities of the EIT.

An immediate and pressing concern is for the EIC to rapidly achieve operational excellence. The pilot phase demonstrated that the EIC can operate on market relevant timeframes with grants processed in a few months and investments in a few weeks in urgent cases. However, the first year of full implementation of the EIC has encountered major delays in funding and investment decisions, far from the KPIs we expect. We will therefore be monitoring these indicators with particular diligence in order for the EIC to be on track to achieve this goal by the end of 2022.