



KEY MESSAGES: ROUNDTABLE ON EIC

Target teams in deep tech

The EIC should target teams from the field of deep tech. The teams should already demonstrate complementary skills and/ or work with an advisory board, consisting of relevant third-party experts (covering industry, business and/ or technology). There should be no requirement for company registration at the time of application.

Make the application light and fast, personal and 'partly' open

The application process should be light and fast, digital and, most importantly, based on oral presentations. The evaluation jury should include innovators and investors (up to the level of business angels). The presentations should be "partly" open: selected competitors, business angels and other third parties could be given access with a view to maximise opportunities for the applicant in terms of visibility and contacts. In case of rejection, applicants should have the possibility to play a wild card and ask for a second opinion for the feasibility check.

Make the support substantial, but as milestone-based tranches paid upfront

As a ground rule, EIC support should be 10 times higher than what comparable national support schemes offer with regard to the size of the tickets. The crucial European added value is scale. Even though major support is guaranteed from the moment of positive evaluation, payments should be made in milestone-based tranches to secure progress. Payments should be upfront and not based on reimbursement to minimize risk of bankruptcy of the early-stage project. The milestone-based approach should give innovators the flexibility to "pivot" and adjust track according to market opportunities.

Prioritise grants

The EIC should be "Europe's high risk 'bank'", prioritising grants as main funding instrument, followed to a lesser extent by loans and equity. In case of equity, conditions for a put-in option need to be predetermined from the start to provide transparency for third party investors.

Help the innovator move up the value chain: de-risk procurement & follow-up investment

An increase in revenue is the best support for a young innovator. Therefore, facilitating revenue gain, e.g. by de-risking procurement, is essential. Procurement credit schemes targeting established companies or public authorities could be explored to de-risk procurement from young companies. Inspiration could be sought from export credit institutions. More generally, tax incentives can also provide an interesting tool in this regard.

As part of the support journey, the EIC should help innovators identify follow-up investors, e.g. via insurance schemes for working capital credit, which reimburse the purchase if the start-up defaults. More generally, more high-risk capital could be freed in Europe by designing fiscal incentives for pensions funds to raise the asset portfolio provided to Venture Capital. The same principle could apply to family businesses.

Act as stepping-stone through "EIC label"

An EIC label could be awarded to successful applicants and also to applicants with a good case who do not receive funding, e.g. due to the "first-come-first-served" principle. Such label would reassure potential third-party investors and reduce opportunity costs for the innovator, serving as a stamp of high quality and label of due diligence. Furthermore, it could also give priority access to pre-commercial or public procurement at national and European level.

Act as single entry point

The EIC should provide a single entry point for contact to regulators in the national systems. This is particularly relevant for the Health sector.



EuroTech Universities

Excellence in Science and Technology

Context

The above messages have been put together following a Roundtable on the European Innovation Council (EIC) organised and facilitated by the EuroTech Universities Alliance in Brussels on 24 September, 2018. The Roundtable brought together selected entrepreneurs and start-ups from the EuroTech Universities to jointly reflect on how the European Commission's proposal for a European Innovation Council could be made as attractive as possible for students, scientists and innovation-driven entrepreneurs in deep tech ecosystems across Europe. Workshop participants covered different stages and sectors and included:

- **Marianne Thellersen** Senior Vice President – Innovation and Entrepreneurship, DTU (Chair)
- **Stefan Drüssler**, UnternehmerTUM
- **Jes Broeng**, Crystal Fibres and DTU
- **Heiða Gunnarsdóttir Nolsøe**, Dropbucket and DTU
- **Maarten Steinbuch**, Eindhoven Medical Technologies and TU/e
- **Francois Sylla**, SourceLab Plasma and Ecole Polytechnique
- **Jean-Marc Wismer**, Mindmaze, EPFL Spin-out and Unicorn

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Background to the EuroTech Universities Alliance

The EuroTech Universities Alliance is a strategic partnership of five leading universities of science and technology in Europe: Technical University of Denmark (DTU), École Polytechnique Fédérale de Lausanne (EPFL), École Polytechnique (L'X), Eindhoven University of Technology (TU/e) and Technical University Munich (TUM). Committed to excellence in research and jointly developing solutions to the grand challenges of society, the Alliance combines the complementary strengths of its partner universities and innovation ecosystems to jointly achieve multi-scale initiatives of high impact to society and to industry. The Alliance openly engages with all societal actors to raise awareness on the opportunities offered by science and technology.