

Business Plan 2023-2024 - Executive summary

EIT InnoEnergy is synonymous with innovation and entrepreneurship in the field of sustainable energy. It is achieving this by leveraging the potential of the knowledge triangle: higher education, research, and industry throughout Europe, and globally. For EIT InnoEnergy, sustainability in energy means contributing to three objectives, aligned with the Energy Union strategy:

- Decrease the cost of energy (€/kWh)
- Increase the security of the energy system (operability of assets and autonomy in supply), and
- Reduce greenhouse gas emissions.

We operate three business lines: (1) the Education Programmes, which create and accompany the future significant changes in sustainable energy; (2) the Innovation Projects, which focus on producing incremental and disruptive technological and business model innovations; (3) the Business Creation Services(entrepreneurship), where we nurture innovative start-ups and grow small enterprises in sustainable energy. These business lines are supported by the management and operations activities.

EIT InnoEnergy is also orchestrating three industrial strategic value chains on batteries and Photovoltaic (PV) through the European Battery Alliance and European Solar Initiative, formally mandated, and endorsed, respectively, by the European Commission in 2017 and 2020. EGHAC (European Green Hydrogen Acceleration Center) is the third one on green hydrogen, implemented together with Breakthrough Energy.

All our activities focus on six thematic fields (Smart Grids, Storage, Smart Cities and Efficient Buildings, Energy from Chemical Fuels, Renewables and Energy for Transport) that evolve with the energy market changes and are fully aligned with the European Union Energy Strategy and the NECP (National Energy and Climate Plans).

In the context of our ambition for the coming years, we have achieved tremendous success, since 2010, as measured by our key performance indicators.

- 1600 “game changers” graduates from InnoEnergy Master School, populating today the energy institutions (94% work in energy related matters), out of more 16.000 eligible applicants. In 2016 we repositioned the Ms. School, and in 2021 50% of the intake (120 students) have paid the 18K€/year each to attend our Master programs.
- 370 new start-ups, after screening 3400 early-stage business ideas. These start-ups, up to September 2021, have raised more than 2000M€ of private and public investment; and combined they have invoiced 250M€. Our stakes in these assets shows a valuation (let’s remind that they are early stage) north of 400M€, based on the last investment rounds successfully closed. This valuation is net of the 79 ventures we have exited over the last 4 years. InnoEnergy VC Community, created in 2013 and now holding 74 members, has invested in over 20 of our startups. InnoEnergy has an equity position in our assets, which is assessed every fiscal year by external auditors for its fair value.
- 210 innovative commercial products and services, all of them with a Return on Investment (ROI) term sheet which has been signed, being one of the two main future revenue streams of

InnoEnergy. Those innovative products have a past, and future sales forecast north of 28B€ (20B€ from Northvolt), this number coming from the business cases of the industries commercializing the innovation themselves. 32 manufacturing facilities have been erected or expanded to accommodate the production of these innovations. More than 220 patents have been filed and today more than 309 industries (80% SMEs) are actively participating in our programs.

- 1€ of public support [670M€ since 2010] has created 42€ of value, some of it already monetized by the partners of InnoEnergy.

EIT InnoEnergy contributes to the EIT impact framework by committing to the following core KPIs:

Portfolio	Description	SIA 2023	SIA 2024
Education	Start-ups created by students enrolled and graduates from EIT-labelled programmes	6	6
	Students enrolled in EIT-labelled programmes	N/A	N/A
	Graduates from EIT-labelled pro	275	300
	Participants in non-labelled education and training	50,000	50,000
	Students and graduates from EIT labelled programmes who joined start-ups	40	40
Business Creation Services	Innovations launched on the market with a sales revenue of at least 10 000 EUR documented (Marketed Designed Innovations)	60	60
	Start-ups and scale-ups supported by KICs	40	40
	Start-ups and scale-ups supported by KICs	90	90
	Investment attracted by KIC-supported EIT start-ups/scale-ups (M/Euros)	800	1000
	Financial sustainability coefficient - Total non-EIT financing generated by the KIC Legal Entity	61,200,000	92,200,000

Figure 1: EIT core KPI impact framework past and future

Strategic priorities for years 2023-2025

EIT InnoEnergy has defined its strategic objectives for the period 2021-2027 in-line with its vision and mission as outlined below:

- (1) The goal is to become **the preferred “go to” trusted ecosystem** for those impact minded innovators in the EU and US by 2027. EIT InnoEnergy invest more than 40% of its yearly resources in partners of RIS countries.
- (2) **Financially independent**
- (3) Expand geographically the EIT InnoEnergy ecosystem to the US: **The transatlantic top player by volume.** EIT InnoEnergy is the biggest (in terms of volume) accelerator in Sustainable

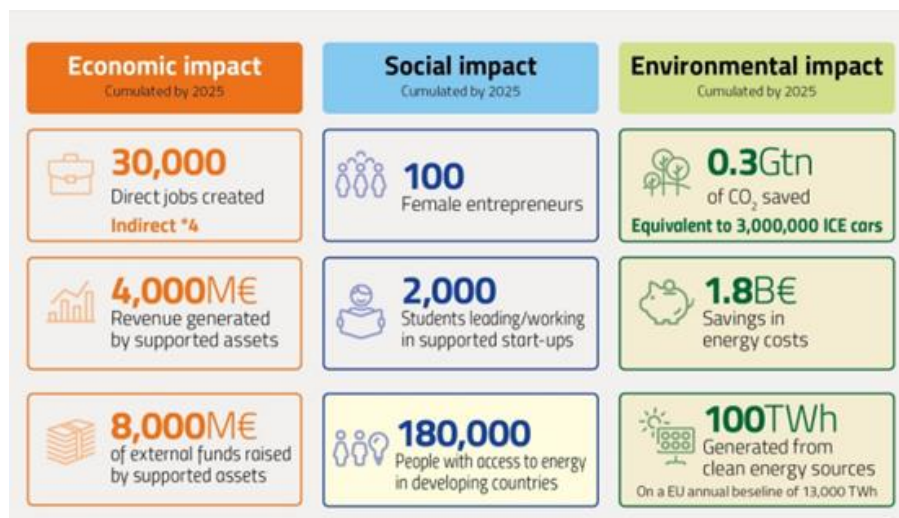
Energy in the western world. The goal up to 2027 is **100+ supported ventures landings**, cumulated, in both US and the EU, capitalizing on our efforts and strategic alliances.

- (4) Secure a **long-term strategic sustainability**: EIT InnoEnergy enabling 3 strategic value chains.
- (5) **10 EIT InnoEnergy assets* (products/companies) are world leaders**, (e.g., branded as powered by EIT InnoEnergy) Sales of 100M\$/year each.
- (6) Secure a **culture of systemic innovation based on individuals** (game changers), beyond institutions and political/regulatory tempos: 50 CXO of TOP 500 Innovative companies are EIT InnoEnergy active Community members.
- (7) EIT InnoEnergy **RIS activity is strategically laid in the form of a centralized network** of a central KIC activity management unit, and local operational arms constructed on partnerships under the form of EIT InnoEnergy Hubs.

This business plan is fully in line with the EIT InnoEnergy strategic agenda, and actively contributes to meeting the goals and objectives set out in that agenda.

Contribution to addressing societal challenges

At the heart of all decision-making at EIT InnoEnergy is our commitment to addressing societal challenges. To this end the following figure demonstrates our level of ambition:



Drivers for the design of the Business Plan

EIT InnoEnergy draws heavily on the success and lessons learnt from its previous business plans, and over a decade of experience. This has provided a solid foundation for successfully achieving the objectives laid out in the strategic innovation agenda for 2021-2027.

The content and strategy for the business plan was driven from our strategic priorities, namely European policy (The Paris Agreement on climate change, United Nations agreed on the 2030 Agenda for Sustainable Development, The European Commission Green Deal, Fit for 55 package), and societal challenges (economic, social, and environmental impacts).

These drivers, along with clear EIT impact framework set for the business planning period, were the foundation for this business plan.

Key success factors, main lessons learnt

EIT InnoEnergy has identified the following main success factors and lessons learnt:

1. Diversify revenue streams to ensure financial sustainability.
2. Continue to develop and evolve the educational services in line with digital trends – ensure these services are linked to innovation activities.
3. Plan for and adjust to political and global events – COVID, Ukraine war, disturbance in the supply chains, inflation have held develop resilience within the organisation.
4. Accountability and internal processes are necessary for changing relationship with the EIT – i.e. partnership process
5. Developing methodologies to track and deliver core KPIs, targets and process metrics across the whole company.
6. Organisational management and the timely delivery of business plan and report must be well planned and agreed across the entire company.

Key risks for this business plan

EIT InnoEnergy has identified four potential external risks arising from factors beyond the scope and duration of the Business Plan:

1. Disruption/reconfiguration of supply chains, structural for the next 2 years
2. Increase of energy prices, structural for the next 4-5 years
3. Inflation, structural for the next 4-5 years
4. War in Ukraine, which has exacerbated the previous three

The best possible preparations to reduce the impact on the company have been made, however the global implications of these will have wide-spread effects on the market and ecosystems.

Internally, several potential risks have been identified and planned for:

1. Strategic and Finance: EIT InnoEnergy will not be able to generate enough financial resources to support its baseline project scenario.
2. InnoEnergy loses its 'uniqueness', and its competitive edge, position in the market.
3. InnoEnergy does not manage to retain the right (and competent) team to implement its ambition.
4. InnoEnergy does not have uniform processes and quality business support systems in place.
5. Fail in raising growth capital for the growth scenario.
6. Turn an "entrepreneurial" organisation (part of our uniqueness) into a stock market highly regulated and exposed company, if listed