

## Article 1

### Purpose

- 1.1 The **Call Azores** is a venture capital investment fund created under the scope of the Azorean Agenda for Job Creation and Business Competitiveness spearheaded by the Government of the Azores and **Portugal Ventures**.
- 1.2 **Portugal Ventures**, through Azores Ventures, shall meet the financing needs of approved projects, with an indicative amount not exceeding 200 thousand euros per year and, in most cases, for two years, with the majority of the company's share capital being held by its Founders.
- 1.3 Founders will be invited to invest alongside Azores Ventures. Public subsidies or incentives (e.g. from the European Union) are not considered as an investment for the purposes of assessing investment from founders.

## Article 2

### Eligibility

- 2.1 Only projects in the industry sectors indicated below and which have the characteristics set forth in these Rules and Regulations will be eligible for **Call Azores**.
- 2.2 Industry sectors
  - Tech (examples: artificial intelligence, cloud & IT, enterprise software, SaaS, mobile, e-commerce, marketplaces, nanotechnologies, new materials, hardware)
  - Life Sciences (examples : therapeutics, medtech, diagnostics, digital health)
  - Tourism (examples: tourism and leisure activities, travel tech)
  - Other (examples: space, endogenous resources, energy, agrobusiness, forestry, ocean industry, nanotechnology and materials)
- 2.3 Project characterisation:
  - Product-oriented (tradable goods and services)
  - Based on referenced R&D
  - Innovative and differentiated solutions
  - Appropriable technology

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- Positioned in regional or national value chains
- Significant regional or national market potential
- Implementable with existing resources
- Part of the incentive schemes for the Autonomous Region of the Azores (A.R.A.)
- Promote the export capacity of the A.R.A.
- Foster entrepreneurship in the A.R.A.

## 2.4 Stages

- Companies in the seed and startup stages (with no recurring turnover from the main business activity) that are innovative and have high potential for growth and valuation; and/or
- Companies in the growth and expansion stage, which have been operating for a maximum of five years and have innovative tradable goods and/or which promote an increased export capacity of the Azores.

## Article 3

### Applications

- 3.1 Applications are submitted by filling in the online application form, available at [www.portugalventures.pt](http://www.portugalventures.pt). All questions must be answered, unless “when applicable” or “if applicable” is indicated.
- 3.2 Deadlines and important dates are indicated on the websites of **Portugal Ventures** and SDEA
- 3.3 During the application process, SDEA and **Portugal Ventures** can provide support with the application process. If you have any questions or additional queries, please send an email to [submissions@portugalventures.pt](mailto:submissions@portugalventures.pt).

## Article 4

### Requirements and eligibility

- 4.1 Projects should, preferably, be promoted by multidisciplinary teams, but the possibility of projects being promoted by only one individual is not excluded
- 4.2 Projects must be an original idea from the founders.

- 4.3 In the case the company has been established on the signing date of the investment agreement with Azores Ventures, the following conditions must have been met:
- The company must not have been incorporated more than five years prior
  - No debts must be outstanding to the Ministry of Finance and Social Security;
  - It cannot have payments owing to IAPMEI (the Portuguese Institute for Support to SMEs and Innovation)
  - It must be an SME in accordance with IAPMEI certification
- 4.4 **Portugal Ventures** will only assess investment projects received from companies which have or will have registered offices in the Azores. These companies shall be incorporated as Public Limited Companies. If the company has already been incorporated but is not a Public Limited Company, it shall be converted into one.
- 4.5 The submission of projects to **Portugal Ventures**, within the scope of the said initiative assumes that the founders represent and warrant that they are the legitimate holders of all legal rights, and / or ownership registrations related to the projects they are submitting and that any and all information provided relating to the projects is complete and accurate and that they are in no way violating any contracts or third-party rights, nor will they come to violate any such third-party contracts or rights, including any patents, intellectual property rights, trade secrets, proprietary or confidential information, publicity or privacy rights.
- 4.6 Founders must disclose any prior agreements with other investors. If they do not, **Portugal Ventures** shall only accept to invest in the project under the same or better conditions than the other investors, namely an updated value assessment.
- 4.7 Investment proposals deemed eligible are those received from:
- i) companies in the seed and startup stages with innovative projects that have valuation potential which, because of the development stage they are in, may not yet have a recurring turnover;
  - ii) projects in the technology proof of concept stage, including prototyping, valuation of intellectual property and the development of business plans. The proof of concept stage should lead to a plan to license the technology and/or the possibility of industrialising products created by the technology and the sale thereof;
  - (iii) companies with investment projects that have preferably been approved under the incentive schemes for investment in the Autonomous Region of the Azores;
  - (iv) projects for the economic exploitation of innovative tradable goods in the Autonomous Region of the Azores;
  - (v) projects that boost the export capacity of the Autonomous Region of the Azores;
  - (vi) innovative projects that are considered strategic for the Autonomous Region of the Azores, in particular in the space and digital sectors.
  - (vii) projects in the test phase of the technological concept, including prototyping, valuing intellectual property and developing business plans. The proof of concept phase should result in a technological licensing plan and/or the possibility of industrialisation of the products generated by

the technology and commercialisation;

(viii) projects for consolidation or financial restructuring shall not be eligible

- 4.8 The submission of projects within the scope of the **Call Azores** gives **Portugal Ventures** the right to use any and all information that it receives in the analysis and assessment process of the investment opportunities, that is, sending the information to each of the members of the assessment panel.
- 4.9 **Portugal Ventures** reserves the right to not accept applications which it considers to be in direct violation, at any given moment, of the guidelines and / or rules and regulations, or the purpose thereof, related to **Call Azores**.

## Article 5

### Project Screening and Assessment Process

- 5.1 Projects submitted shall undergo an initial screening to assess their eligibility for **Call Azores**. Candidate projects deemed eligible will be submitted for assessment by the Azores Ventures Investment Committee. Selected projects will then move on to the next stage for screening and assessment by an assessment panel.
- 5.2 Assessment panels shall be composed of expert invited for such purpose.
- 5.3 The screening and assessment process carried out by the assessment panel is conducted in two stages:
- Founders will initially pitch their idea to the assessment panel in a session followed by Q&A
  - Based on the information provided in the application form, the pitch made by the founders, and the subsequent discussion, the assessment panel will write a qualitative assessment of the project, considering the requirements set forth in these Rules and Regulations, including the identification of the main risks of the project, suggest mitigation measures, and assess the overall quality of the investment opportunity
- 5.4 The selection and qualification process of the projects related to each edition of the **Call Azores** will take place within the timeframe indicated on the websites of **Portugal Ventures** and SDEA.

## Article 6

### Judgment criteria

Assessment of projects carried out by each of the assessment panels shall take the following criteria into account:

- 6.1 Management team: ability of each team member to fulfil the requirements of the project, entrepreneurship profile and experience of each team member, extent to which the management skills of the founding team meet the requirements of the project.
- 6.2 Technology and product roadmap: description, scalability and marketability of the technology, differentiation versus solutions already available, level of protection of the intellectual property, product development roadmap, main milestones.
- 6.3 International reference and validation: opinions from international experts, renowned in the industry sector in which the product is to be positioned, which validate the product / technology's innovative nature, differentiation compared to competition and suitability to regional or national market trends.
- 6.4 Business model: sources of revenue, pricing, margins, customers, geographies, scalability.
- 6.5 Competition / competitive advantages: level of competition and main competitors, potential or which already exist in the considered market, differentiation / competitive advantages of the product compared to products already on the market in order to ensure the preservation of existing competitive advantages during the lifetime of the project vs. ease of replicating it.
- 6.6 Time-to-market : suitability to time-to-market required for investment in Azores Ventures.
- 6.7 Market / positioning in the regional or national value chain : size of the potential market and of the target market, as well as how the new company proposes to position itself in the value chain.
- 6.8 Current and future investment needs: quantification of the current and subsequent investment needs and the means of funding.
- 6.9 Exit : form of divestment, assessing, namely, whether there is an active market for the transaction of such companies.

## Article 7

### Decision-making process

- 7.1 Once the assessment process of the projects has been concluded by each of the assessment panels, **Portugal Ventures** will assess the resulting investment opportunities.
- 7.2 The conclusions and recommendations made by the assessment panels are non-binding, and the competent bodies of **Portugal Ventures** have sole and exclusive authority to decide whether or not to invest in any project.
- 7.3 **Portugal Ventures** may draft an investment term sheet under different terms than those proposed by the founders or may decide not to invest, the founders having no right to compensation or indemnity.
- 7.4 **Portugal Ventures** shall inform the founders of its decision – without need for justification – and, should it decide to invest, the founders will be informed of the respective terms and conditions for investment.
- 7.5 Investment decisions made by **Portugal Ventures** are subject to the suspensive condition of acceptance by the founders of the terms for investment, partnership, and divestment, which are to be established in writing.

## Article 8

### Notification of Results

Founders who accept the terms for investment, partnership, and divestment presented by **Portugal Ventures** agree to allow their company logo and other relevant information to be disseminated for marketing purposes related to **Call Azores** and to **Portugal Ventures**.

## Article 9

### Confidentiality

- 9.1 Safeguarding the requirements resulting from the decision process stipulated in these Rules and Regulations, **Portugal Ventures** will keep confidential all information submitted within the scope of **Call Azores**, as well as any other information that it may receive during the process, for a period of 12 (twelve) months.
- 9.2 Applicants in **Call Azores** declare that they will not use the names “Call Azores” or “Portugal Ventures”, or any variant, abbreviation, or adaptation thereof, or the names of shareholders or any other Portugal Ventures employee or partner in any advertisement, marketing communication or press release, without prior consent, in writing, from Portugal Ventures.

## Article 10

### Press

The founders of the projects that are selected for investment of **Call Azores** will, fittingly and whenever possible, be invited to take part in media campaigns and will need to:

- Submit a description of the project to **Portugal Ventures**, in Portuguese and / or English (with between 150 and 200 words), within at the most 72 hours following a request from **Portugal Ventures**. The description may be disclosed in full or in part to the press;
- Attend media events related to media campaigns for **Call Azores** and mention their projects and experiences related to **Call Azores**;
- Provide statements or other relevant information for any press released related to **Call Azores**.

Notwithstanding, participation in media campaigns in no way implies that it is necessary to disclose confidential information about the projects.

## Article 11

### Amendments to the Rules and Regulations

**Portugal Ventures** reserves the right to, at any time, amend any clause in these Rules and Regulations, giving notice of these amendments to the founders in the manner it deems fit.

## Article 12

### Final provisions

- 12.1 Situations which have not been envisaged in these Rules and Regulations will be settled by the competent bodies of **Portugal Ventures**.
- 12.2 Submitting an application to **Call Azores** implies the acceptance of these Rules and Regulations.