

Scope

The purpose is to foster the introduction into the market of projects in the industry sectors thus contributing, by driving energy transition, to national targets established in the Integrated National Energy and Climate Plan (PNEC), in accordance with Horizon 2030 energy and climate policies and with the Roadmap for Carbon Neutrality 2050.

From this perspective, priority will be given to solutions that, in the context of sustainability, contribute to energy efficiency and material productivity, particularly by companies producers of tradable goods.

Will favour projects that:

- present Productive Innovation, presenting the production of new goods and services or significant improvements to current production through the transfer and application of knowledge and adoption of new or significantly improved processes or methods manufacturing, logistics and distribution as well as organizational methods;
- integrate horizontal measures in the field of innovation and investment;
- promote solutions that significantly contribute to: increased efficiency energetic; to reduce greenhouse gas emissions; the incorporation of renewable energy source; the decarbonisation of processes, in particular by changing processes, including changing associated technologies, replacing sources of energy and / or raw materials and end-of-line treatments in accordance with the best available techniques, where applicable;
- improve efficiency and / or productivity in the use of raw materials, encourage reduction / prevention of waste production and promote its material recovery, or promote the conversion of waste into secondary raw materials as well as industrial symbioses¹.

Article 1

Purpose

1.1 The **Call Green Economy** is a systematic and agile process for the assessment of projects for venture capital funding within the scope of **Portugal Ventures'** investment strategy, in collaboration with its partners in the Ignition Partners Network.

1.2 **Portugal Ventures** intends to promote access to venture capital investment for innovative scientific and tech-based projects in Seed and Early funding stages to create businesses with high growth potential.

1.3 **Portugal Ventures**, through the venture capital funds it manages and co-investment with other venture capital investors, is willing to fund with a minimum investment ticket of 300 thousand euros and a maximum of 1 million euros, and assigning the majority of the company's share capital to its **Founders**.

¹"Industrial symbiosis" is understood here as the sharing between industries of different natures of by-products / resources (including the reuse of waste as raw material) in order to generate value (new products), reduce costs and achieve environmental improvements (eg plaster routing resulting from desulphurization process to production of building materials). Waste disposal for recycling (eg plastic waste sent for pellet production)plastic is not an industrial symbiosis in this context.

Article 2

Eligibility

2.1 Only projects in the industry sectors and with the characteristics set forth in these Rules and Regulations shall be eligible for the **Call Green Economy** initiative.

2.2 Industry Sectors:

- Projects with innovative technologies in areas such as production, consumption, waste management, the secondary raw materials market and horizontal measures for innovation and investment;
- Projects focusing particularly on the following sectors: plastics, food waste, critical raw materials, construction and demolition, bioeconomy² and biological products.

Notwithstanding the information provided regarding the Industry Sectors designated for this initiative, **Portugal Ventures** reserves the right to modify the classification of these activities when it deems necessary.

2.3 Project characterisation:

- Product-oriented (tradable goods & services);
- Based on internationally referenced R&D;
- Innovative and differentiated;
- Appropriable Technology;
- Positioned in global value chains;
- Significant global market potential;
- Implementable with available resources;
- An initiative by the Founders.

2.4 Stage of the Project:

- *Seed stage* projects: should have a fully working prototype and preliminary feedback from the market;
- *Early stage* projects: should have started operations but are not yet at the stage of a robust commercial, manufacturing and sales process.

2) "Bioeconomics" is understood here as the production of bio-based products resulting from the use of biological resources obtained by the cascade use of organic-based waste streams (eg sludge, uncultivated brushwood, agricultural waste, algae). For example, the extraction of phosphorus from sludge from wastewater treatment plants, or the use of mushroom mycelium for packaging or construction material. It also includes the recycling of organic materials and nutrient recycling, and the production of bioenergy resulting from the decomposition of organic material as part of the process (excluding thermal recovery).

Article 3

Partners/Ignition Partners Network

3.1 The **Call Green Economy** is held in collaboration with entities from our **Ignition Partners Network**, the identification and contacts of which are available on the **Portugal Ventures'** website.

3.2 Depending on their location and area of expertise, the **Ignition Partners** will identify eligible and investment ready projects for the **Call Green Economy** and invite its respective **Founders** to send in their applications.

3.3 The **Ignition Partners** will support the **Founders** in the preparation of information to ensure that it is as clear, objective and as structured as possible.

3.4. **Ignition Partners** may be rewarded in case of **Portugal Ventures** invest in the projects that obtained their support and were submitted via them.

Article 4

Applications

4.1 Submission of applications can be done as follows:

- Through the **Ignition Partners Network** - to this end, the Founders should contact one of the **Ignition Partners**, benefitting in this way from (i) the support and collaboration from said Partner in the preparation of the application and (ii) a quicker initial screening of their project;
- By sending your application directly to **Portugal Ventures**.

4.2 The submission deadlines and relevant dates related to the entire process can be found on **Portugal Ventures'** website .

4.3 Applications related to the **Call Green Economy** will be submitted, exclusively, via the Application Form available on **Portugal Ventures'** website, duly filled out in English (an answer to all questions is mandatory, except when indicated: "when applicable" or "if applicable");

4.4 For any questions or additional information please send an email to:
submissions@portugalventures.pt

Article 5

Requirements and Eligibility

5.1 Projects should, preferably, be promoted by multidisciplinary teams, although projects being promoted by only one individual may also be eligible.

5.2 Projects must be an original idea from the **Founders**.

5.3 In the case of an already established company, on the date of signature of the investment agreement with **Portugal Ventures**, the following conditions must have been met:

- a) It must be incorporated in the North, Central or Alentejo regions, outside Lisboa e Vale do Tejo, Algarve and the two autonomous regions, in the seed, startup or early stages, aimed at the economic exploitation of new ideas, technologies and/or product/services that do not have 3 completed economic annual exercises, since the commencement of activity;
- b) Companies located in North, Central or Alentejo region in the development stage (second round) of new products and/or services, with a focus on innovation;
- c) It must be an SME, in accordance with IAPMEI certification and;
- d) It must not be considered as “company in difficulty” within the meaning of regulation (EU) No. 651/2014 of 16th June;
- e) It must not have closed the same activity or a similar activity in the European Economic Area in two years prior to the approval of funding or at the same time of such approval, have concrete plans to the end of activity no later than two years after completion of the business plan subject being financed;
- f) It must have met all its obligations to the Ministry of Finance and Social Security;
- g) Has not been the subject of an environmental offense or accessory sanction, pursuant to terms of Law No. 50/2006 of 29 August, as amended;
- h) Has not been the subject of a judgment which has the force of res judicata for the offenses Articles 278 to 280 of the Penal Code.

Additionally, the final beneficiaries, must fulfill at least one of the following conditions:

- i) Incorporation of companies or companies in the seed, startup or early stages aimed at the economic exploitation of new ideas, technologies and/or products and which have not been operating for more than 3 years since the commencement of the activity;

- h) Have operated in any market for less than 7 years since its first commercial sale, in the case of the companies indicated in sub-paragraph (b);
- i) Initial investment already undertaken to enter a new product market or a new geographic market is more than 50% of its average annual turnover in the previous 5 years and for the companies indicated in sub-paragraph (b).

5.4 **Portugal Ventures** will only consider funding projects received from companies which already have or aim to have a significant footprint in Portugal.

5.5 The **Founders** assure that their project will be submitted once per **Call Green Economy** through a partner or directly to **Portugal Ventures**.

5.6 The submission of projects to **Portugal Ventures**, within the scope of said initiative, assumes that the Founders declare and assure that they are the legitimate holders of all legal rights, registrations and/or ownership 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.

5.7 In the application form, **Founders** must disclose any prior agreements with other investors, if existent.

5.8 The submission of projects within the scope of the **Call Green Economy** gives **Portugal Ventures** the right to use any and all information which it received during the process of analysis and assessment of investment opportunities, namely sending said information to the experts, if applicable.

5.9 **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 intent thereof, related to the **Call Green Economy**.

Article 6

Project Screening and Assessment Process

6.1 The projects submitted through an entity of the **Ignition Partners Network** or directly to **Portugal Ventures** will be subject to an initial screening process to evaluate their adequacy and eligibility as set forth in the se Rules and Regulations, after which they will be sent for review by the respective industry assessment panel as mentioned in items 6.3 and 6.4.

6.2 If the projects referred to in item 6.1 do not meet the said requirements, or the information submitted is insufficient to properly assess its suitability and eligibility, namely due to the fact that the project is not investment ready, **Portugal Ventures** will inform its Founders that the conditions necessary for the project to proceed to the next stage have not been met, and may recommend that the Founders contact an entity from the **Ignition Partners Network** to get support in restructuring the project or to have it incubated/accelerated in order to resubmit it in one of the subsequent **Calls Green Economy**.

6.3 The projects referred to in item 6.1 which meet the requirements set forth in these Rules and Regulations, will proceed to the next phase for screening and evaluation by an assessment panel, one or more panels for each of the industry sectors stated in these Rules and Regulations.

6.4 The respective industry assessment panels are made up by scientific and business experts and specialists, both national and international, selected by **Portugal Ventures**.

6.5 The screening and assessment process carried out by the respective industry assessment panel will be done in two stages:

- First, the **Founders** will pitch their ideas to the assessment panel in a session which will be followed by Q&A;
- Secondly, and based on: (i) the information provided in the Application Form; (ii) the pitch made by the **Founders** and (iii) the subsequent discussion, the assessment panel will formulate a qualitative assessment of each project, considering the requirements set forth in Article 7 of these Rules and Regulations; identify the main risks the project presents and suggest measures to mitigate said risks; and will also formulate an assessment of the merit of the underlying investment opportunity.

6.6 The screening process and qualification of the projects related to each **Call Green Economy** will take place in the time frame indicated on **Portugal Ventures**.

Article 7

Judgment Criteria

The evaluation of each project, carried out by each of the industry assessment panels, will take the following criteria into account:

- a) **Management Team** (the ability of each team member to face the demands and challenges of the project; the entrepreneurship profile and experience of each team member; to which extent the management team's skills meet the requirements necessary for the project's success).
- b) **Solution and Value Proposition** (level of novelty of the solution and how it will stand out in the market);
- c) **Competition / Competitive Advantages** (level of competition and main competitors, potential or which already exist in the market where the product intends to be positioned; differentiation/ competitive advantages of the intended product compared to the products already on the market to ensure the preservation of said competitive advantages during the life of the project vs. the ease of replicating it);
- d) **Product Roadmap** (product development roadmap and main milestones to be achieved);
- e) **Target Market and Characterization** (size of the potential market and the target market, as well as the company proposes to position itself in the product/market's global value chain).

- f) **Business model** (sources of revenue, recurring or not; pricing; margins; customers; geographies; scalability);
- g) **Traction Metrics** (active users and/or paying customers; Average cost of customer acquisition and average customer lifetime value);
- h) **Current and subsequent funding needs** (quantification of the current and subsequent funding needs and the means of funding, assessing, namely, the feasibility of syndicating the investments with other venture capitalists, national or foreign, keeping in mind, for example, the attractiveness of the project's industry sector for potential investors);
- i) **Exit** (**Portugal Ventures'** way of divestment, evaluating, namely, if there is an active market for the transaction of such companies; potential to attract foreign capital; identification of potential strategic international players interested in licencing/acquiring the technology).
- j) **Contribution** (the project's objectives: the 2030 National Energy and Climate Plan, the Roadmap for Carbon Neutrality 2050 and the Circular Economy Action Plan).

Article 8

Portugal Ventures' decision process

8.1 Once the screening and assessment process of the projects have been concluded by each of the assessment panels, **Portugal Ventures** will assess the resulting potential opportunities for investment, a process which will take place in the time frame indicated on **Portugal Ventures'** website.

8.2 The conclusions and recommendations made by the assessment panels are **non-binding**, so that **Portugal Ventures'** competent bodies have sole authority to decide whether or not to proceed towards a presentation of an investment offer.

8.3 The projects that have a positive recommendation from the assessment panels will be invited to pitch their projects to **Portugal Ventures'** Board of Directors in a meeting which will be followed by a Q&A session;

8.4 **Portugal Ventures'** decision to invest in projects will be based on the judgment it makes, in accordance with its own criteria, on the quality of the projects, and may propose investment under different terms to those proposed by the **Founders** or decide to not invest at all, and, therefore, does not, in any way, entitle the **Founders** having to any right to compensation.

8.5 **Portugal Ventures** will inform the **Founders** and their **Ignition Partners Network** of its decision – without need for justification – and, in the case of a favorable decision to invest, it will be proposed to the respective terms and conditions for investment to the **Founders**.

8.6 The decision taken by **Portugal Ventures** to invest in the above-mentioned projects is subject to the suspensive condition of acceptance, by the **Founders**, of the terms for investment, partnership and divestment, which are to be established.

8.7 **Portugal Ventures'** managed venture capital funds have legal requirements that must be met prior to the investment. For this to happen in an expeditious manner, **Founders** must readily supply **Portugal Ventures** with all the information that it needs. Be advised that this also constitutes a test of the **Founders'** level of commitment to the project.

Article 9

Communicating the results

The **Founders** who accept the terms for investment, partnership and divestment proposed by **Portugal Ventures** agree to allow their company's logo and information to be disseminated for marketing purposes related to the **Call Green Economy**, the **Ignition Partners Network** and **Portugal Ventures**.

Article 10

Confidentiality

10.1 Safeguarding the needs resulting from the decision process stipulated in these Rules and Regulations, **Portugal Ventures** will keep all information submitted within the scope of the **Call Green Economy** in strictly confidential, as well as any other information that it may receive during for a period of 12 (twelve) months.

10.2 Participants in the **Call Green Economy** declare that they will not use the names "Call For MVP", "Portugal Ventures", "Ignition Partners Network" or "Ignition Capital or any variant, abbreviation or adaptation thereof, or the names of partners or any other **Portugal Ventures** collaborator or partner in any advertisement, marketing communication or press release, without prior consent, in writing, from **Portugal Ventures**.

10.3 The participants in the **Call Green Economy**, by submitting their applications, authorise **Portugal Ventures** to share with its **Ignition Partners Network** the following information, such that in the event Portugal Ventures deems the project to not be investment ready, the **Ignition Partners** may contact the **Founders** in order to offer their support to improve the projects, such that they may successfully resubmit their projects to another **Call Green Economy**:

- 10.3.1 Project name;
- 10.3.2 Contact name, email and phone number;
- 10.3.3 Industry Sector;
- 10.3.4 Region.

Article 11

Press

The **Founders** of the projects that are selected for funding within the scope of the **Call Green Economy** will, fittingly and whenever possible, be invited to participate in awareness campaigns related to the initiative in the press, and will therefore:

- a) Send a description of the project to **Portugal Ventures**, in both Portuguese and English (between 150 and 200 words), within 72 working hours after receiving a request from **Portugal Ventures** to do so; a description which may be passed on, in whole or in part, to the press;
- b) Participate in the media events related to promotion campaigns for the **Call Green Economy**, namely, talking about their projects or experience related to their participation in the **Call Green Economy**;
- c) To make extracts or other relevant content available for any press release to the **Call Green Economy**.

Notwithstanding, participation in said campaigns in no way implies that it is necessary to disclosure any confidential information.

Article 12

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** and Ignition Partners in the manner it deems fit.

Article 13

Final Provisions

13.1 Matters not covered in these Rules and Regulations will be settled by **Portugal Ventures'** competent bodies.

13.2 Submission of an application to the **Call Green Economy** implies the acceptance of these Rules and Regulations and the terms and conditions of the use of **Call Green Economy** Platform.