

## Purpose

As part of a set of measures launched by the Government to help the more than 2,500 Portuguese startups overcome the consequences of the crisis caused by the COVID-19 pandemic and return to business after this exceptional period, we aim at promoting access to venture capital financing for science and tech-based projects in the *pre-seed*, *seed* or *early* stages through a venture capital fund managed by Portugal Ventures, in partnership with ANI – National Innovation Agency (through the FITEC Fund), PME Investimentos and StartUp Portugal.

Call **INNOV-ID** provides access to venture capital financing for projects that expand scientific and technological knowledge, promoting the transfer of knowledge to companies and the transformation of this knowledge into innovation, as a result of cooperation between higher education institutions, Technology Interface Centres (TIC) and startups, that promote an increase in the R&D (Research and Development) and innovation capacity of small and medium-sized enterprises, and which employ highly skilled human resources, thus promoting qualified employment and a circular economy.

Projects or companies with developed technology, but that are still in the prototype, proof of concept, product (MVP) or product-market-fit validation phase are eligible. The aim is to give projects or companies with potential growth the runway they need early on to complete further development stages that will enable them to raise new investment rounds.

Portugal Ventures is willing to invest a minimum of EUR 50,000 and up to EUR 100,000.

## Eligibility

### Sectors:

- Digital;
- Engineering & Manufacturing, preferably in energy efficiency, decarbonization, sustainability and the circular economy;
- Life Sciences;
- Tourism Tech.

**Basic Requirements:**

1. **Incorporated companies** that fulfil the following criteria are eligible:
  - a) Be registered with [Startup Hub](#) (**mandatory**);
  - b) Directly or indirectly contribute to achieving the [2014-2020 Strategy for Smart Specialisation](#) goals set for decarbonization of the economy, process, product and material sustainability, greater energy efficiency and sustainability or to a circular economy (**mandatory**);
  - c) Technology-based companies that are the result of proven technology transfer processes of entities in the national scientific and technological system (**that fulfil at least one of the following criteria**):
    - i) be the result of a scientific, technology or academic research and development programmes carried out within higher education institutions or Technology Interface Centres (including, in particular, technology centres, science and technology parks, tech-based incubators or incubators linked to higher education institutions, or to Technology Interface Centres);
    - ii) be incubated in tech-based incubators or incubators linked to higher education institutions or Technology Interface Centres;
    - iii) be recognised as [technology companies](#) by ANI;
    - iv) be beneficiaries of incentives managed by ANI;
    - v) be promoted by or employ highly skilled human resources or will maintain or create highly qualified employment;
  - d) Be incubated in one of the entities that are part of the [National Incubator Network](#), or associated with one of the partners in Portugal Ventures' [Ignition Partners Network](#) (**optional**);
  - e) Companies that have not been invested in by other venture capitalists (**mandatory**);
  - f) Companies to be incorporated or that were founded less than 8 years ago (**mandatory**);
  - g) Companies with registered offices and the majority of their operations in Portugal (**mandatory**);

- h) Companies that have no debts outstanding to the Tax Authority and Social Security at the date the application is submitted **(mandatory)**;
  - i) Public limited liability companies or private limited liability companies (excluding sole proprietors) **(mandatory)**;
  - j) Companies that are not directly or indirectly owned or controlled by large companies **(mandatory)**;
2. **Unincorporated companies** must be incubated in one of the entities that are part of to the [National Incubator Network](#), or associated with one of the partners in Portugal Ventures' [Ignition Partners Network](#) and fulfil criterion 1(b) and 1(c).

### Characteristics of the target companies

Companies, incorporated or to be incorporated, in any sector of activity that have one or more of the following characteristics must mandatorily fulfil criterion 1:

1. Technology-based companies that are the result of proven technology transfer processes of entities in the national scientific and technological system, or from scientific, technological or academic research and development programmes carried out within higher education institutions or Technology Interface Centres, or are incubated in tech-based incubators or incubators that are linked to higher education institutions or technology interface centres, or are recognised as [technology companies](#) by ANI or that are beneficiaries of the incentives it manages, or are promoted by or employ highly skilled human resources or will maintain or create highly qualified employment, and that directly or indirectly contribute to the decarbonization of the economy, energy efficiency and sustainability, process, product and material sustainability, or to the circular economy;
2. Companies focusing on tradable goods or services that are part of international value chains;
3. Companies with a clear strategy to protect and enhance intellectual property;
4. Companies that plan to develop proof of concept, irrespective of the scientific area of the technologies, and/or functional prototype, or that have already developed them (TRL equal to or greater than 2);
5. Companies with a structured work plan to complete the development of their proof of concept, prototype, product (MVP), solution or service within 12 to 18 months;

6. Companies with funding needs in the 12 to 18 months following approval of the application, until achieving the product development and/or marketing metrics required to raise a new round of capital investment, committing to the submission of half-yearly development reports;
7. Companies that commit to allocating funds to developing proof of concept, a prototype, product (MVP), solution or service. Funds may not be used to repay financial debt to shareholders or directors.

## Judgment Criteria

The assessment of each project will take into account the following criteria:

1. **Management Team** (ability of each team member to face the demands and challenges of the project; entrepreneurship profile and experience of each team member; the extent to which the management team's skills meet the requirements necessary for the project's success).
2. **Level of project development planning** (project development plan, identifying the main steps up to the achievement of the proposed objective);
3. **Link to the scientific and technological system** (of any team member that is part of the project or company, or the project seeking funding);
4. **Competition** (main competitors, current and potential);
5. **Competitive advantages** (competitive advantages and how the technology or product differs from that available on the market);
6. **The company's ability to raise a new round of investment after the 12 to 18 month deadline** (likelihood of achieving the prototype or product development (MVP) or business metrics acknowledged as necessary to raise a new round of investment);
7. **Target market and characterisation** (size of the current and potential market, including characterisation of the target market and the company's positioning in the global value chain);
8. **Business model** (revenue model and business strategy);

9. **Current and future financing needs** (quantification of current and subsequent financing needs and type of financing, assessing, among other things, the possibility of syndicating investments with other Portuguese and international venture capital investors).
10. **Transition to a resource-efficient economy** (evidence of how the project or product is linked to any of the topics indicated in paragraph 1(b) of the General Requirements, and the associated value proposition).

## Applications

1. Applications must be submitted exclusively through Portugal Ventures' [Ignition Partners Network](#) or through entities that are part of the [National Incubator Network](#);
2. Portugal Ventures' Ignition Partners and the entities that are part of the National Incubator Network must request access by sending an e-mail to [submissions@portugalventures.pt](mailto:submissions@portugalventures.pt), indicating the e-mail address used to submit applications. Once the confirmation e-mail from Portugal Ventures has been received, registration must be completed;
3. The application form available on the Portugal Ventures website must be completed in Portuguese or English;
4. The deadline for submission and the dates relevant to the process are available on the Portugal Ventures website;
5. Any questions or requests for additional information should be sent by e-mail to: [submissions@portugalventures.pt](mailto:submissions@portugalventures.pt);
6. If applicable, the application form must be accompanied by all documentation requested in the "Attachments" section of the form.

## Project Assessment

Applications are submitted by the partners of Portugal Ventures' Ignition Partners Network or the members of the National Incubator Network after they have confirmed eligibility (pre-screening).

Applications are then forwarded to an assessment panel (which includes representatives from ANI – National Innovation Agency, StartUp Portugal and PME Investimentos), which will make a non-binding recommendation to Portugal Ventures. If the recommendation is a favourable one, the founders will make a final pitch to Portugal Ventures' Board of Directors. After the investment is approved, the founders and Portugal Ventures will sign either a Term Sheet with the terms and conditions for investment or a direct Investment Agreement and Shareholders' Agreement.

Investment documents to be signed by the companies and founders are standard documents and are non-negotiable. These terms and conditions will be disclosed in advance on the Portugal Ventures website and should be consulted by the founders and partners before submitting an application.

The venture capital funds managed by Portugal Ventures must fulfil certain legal requirements before the investment is made. For this to happen in an expeditious manner, founders must readily provide Portugal Ventures with all the information it requests.

### Confidentiality

Portugal Ventures shall keep all information submitted under Call INNOV- ID strictly confidential, as well as any other information it receives, for a period of 12 (twelve) months.

### Changes to eligibility conditions

Portugal Ventures reserves the right to change the eligibility conditions as it deems fit and at any time.