



"Capital Sourcing for Early-Stage Technology Start-Ups"

UTEN Portugal

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INVICTA ANGELS - Porto Business Angels Association

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Business Angels in Portugal (under Federation)

- » Invicta Angels – Assoc. de Business Angels do Porto
- » Assoc. de Investidores de CRisco da Covilhã
- » Clube de Cascais – Assoc. de Investidores de Cascais
- » Business Angels Club – Assoc. Portuguesa de Investidores em Start-Ups
- » Assoc. de Business Angels do Algarve
- » Vima Angels (Guimarães)
- » Clube de Business Angels do Alentejo
- » Centro Business Angels
- » OPEN Business Angels
- » Assoc. Business Angels Santarém

FNABA
FEDERAÇÃO NACIONAL
DE ASSOCIAÇÕES DE
BUSINESS ANGELS

● **Business Angels Networks in preparation**

- » Setúbal
- » Madeira



Major activities already undertaken:

- Semana Nacional de Business Angels (SNBA) - Annually organized.
- European Business Angels Network (EBAN) - Associated.
- World Business Angels Association (WBAA) - member of the core founder.

Talks with the Government to present the following propositions:

- **Co-Investment Fund with Business Angels**, in collaboration with the COMPETE's Office Manager, IAPMEI and PME Investimentos, for replicating best practices, in particular the Netherlands, Techno Partners.
- Amendment of the Legal and Tax framework of Business Angels, and its inclusion in the State Budget for 2010.

BA Funds under Compete

- ❖ Launched on 2009.08.31; *Compete* Program (with European Funds)
- ❖ Initially it was budgeted to have 10 million euros from *Compete*, and Business Angels would bring additional 5,4 Million euros
- ❖ Applications finished on 2009.10.30;
It was expected *Compete* to approve 20 Business Angels Funds
- ❖ In December 2009, *Compete* confirmed that approved not only 20 but 50 new Business Angels Funds, with an investment capacity from *Compete* of 25 Million Euros and 14 million Euros from Business Angels which totals a 39 Million Euros investment capacity to be applied in start ups

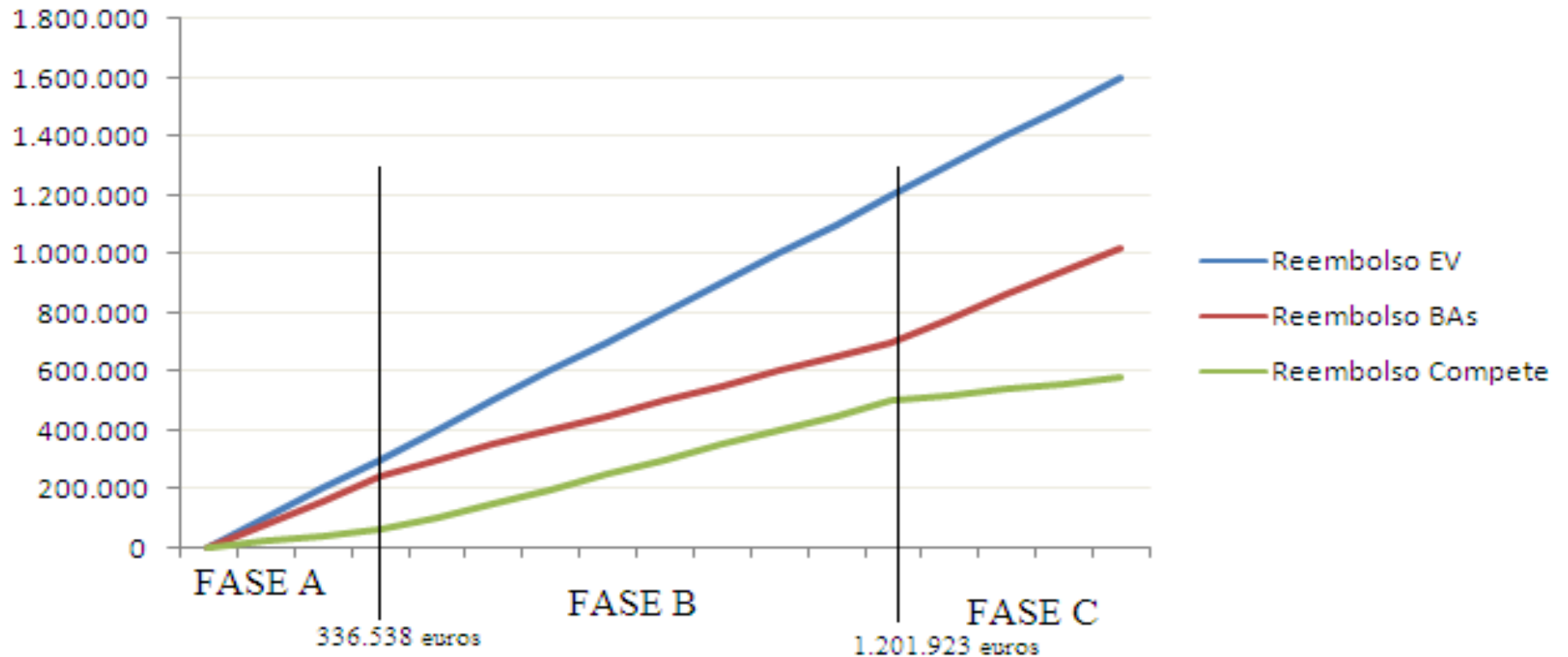
Financing scheme under Compete

- ❖ It is a loan from Compete to the EVs, but a loan with a venture capital “behaviour”
- ❖ Loan Period: 10 years with investment period until 2012.12.31
- ❖ There are no interests and capital guaranteed for Compete
- ❖ Maximum loan per each EV: 65% of the EV Investment needs with a maximum of 500.000 euros per each EV
- ❖ EV Investment capacity that maximizes the COMPETE financing
 - 500.000 euros / 0,65 = 769.230 euros (approx. 770.000 euros)
 - BAs must bring into the EVs 270.000 euros

Some terminology:

- » EV - Entidade Veículo - (Investment Vehicle entity) - It is the company that will be owned by the BAs and that will invest in the start ups
- » EBF - It is the start up that is seeking for investment
- » Business Angel - BA - Individual investor that invests in an EV

Compete Repayment of the Loan



- ❖ Phase A – Until BAs receive their total investment (BA 80% / Compete 20%)
- ❖ Phase B - Until COMPETE receives their loan in total (BA 50% / Compete 50%)
- ❖ Phase C – After BAs and Compete have received their total amounts (BA 80% / Compete 20%)

Invicta Angels - Associação de Business Angels do Porto

Business Angels Association focused on regional level (since January 2007)

- It aims to promote a *Business Angels network focusing on the northern and central regions of Portugal, mainly on Porto's Metropolitan Area, the "Aveiro-Porto-Braga/Guimarães-Vila Real axis"*.
- Currently it has 60 members, who invest their time, skills and knowledge, and their own resources for the development of the association.

Some terminology:

- » *Business Angels: Individuals that invest professionally in the capital of SMEs with high potential of valorization*".
- » *Business Angels* invest "**SMART MONEY**": money, competences, time and network

“INVICTA ANGELS - EV, SA”

- *business angels will lead 8 EVs (Investment Vehicle Entity)*

8 entities led by 41 *business angels* of *Invicta Angels*, will have available the total amount of 6 Million Euros to invest in about 50 technology-based companies, in the following areas:

- ❖ **Agro-industries and Eco-activities:** food processing, forest-based industry, tourism, wine and sea
- ❖ **Life Sciences and Industrial Biotechnology:** biotechnology, healthcare and pharmaceutical
- ❖ **Energy and Environment:** energy, environmental technologies and sustainable production
- ❖ **Habitat and Sustainable Construction:** sustainable construction, technologies and materials, environmental technologies
- ❖ **Creative Industries (sub-sector “digital”), Special Services and Projects**
- ❖ **Nanotechnologies and Nanomaterials:** biotechnology, healthcare, medical devices, ...
- ❖ **Healthcare, and Medical Devices:** healthcare and medical devices, biotechnologies and machines
- ❖ **Information Technology, Communication and Electronics:** ICT, machines and electrical equipment

Term Sheet

EV's to be created in the 1st quarter of 2010;

Dimension: 770.000 euro (BAs of *Invicta Angels*, Caixa Capital, SCR, S.A. and Compete).

Number and Type of Investments: 4 to 7 *start-ups* or SMEs up to 3 years-old, typically in new technologies and products in innovative sectors. **Preferential Investment Region:** centered on Porto, from Aveiro to Braga/Guimarães and Vila Real. **Secondary Region:** North and Centre. **Investment Period:** until 31.12.2012. **Duration:** 10 years.

Management: *Invicta Angels* will provide the EV's with all the necessary services, such promotion, management of website and *Angelsoft platform*, prospection of investment opportunities, preparation of investment files, etc.

Project submission:

www.INVICTAANGELS.pt

- ***Angelsoft*** -

the project is automatically available
for review of all *business angels members of Invicta Angels*

a good Project/Business Plan must include

"Management"

The management team is in love, well prepared and full of attitude!

"Money"

Cash" possibilities are based on solid and proved assumptions.

"Market"

There is a big or growing target market, and a solid plan to conquest and keep a solid share.

"Magic"

There must be an ambition, and the business opportunity must be real.

Amazon.com ...Fund Raising Evolution



'95

Family and friends (and fools) \$245.000



'95

'96

Business Angels Syndicate \$937.000 (\$ 46.850 each)



'96

Two Venture Capital Funds \$8 million



'97

3 Million shares on the equity market \$49.1 Million



'94

Start up \$54.000 (\$10.000 Jeff Bezos + \$44.000 Bank Loan)

Two Business Angels \$54.405



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Thank You!

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