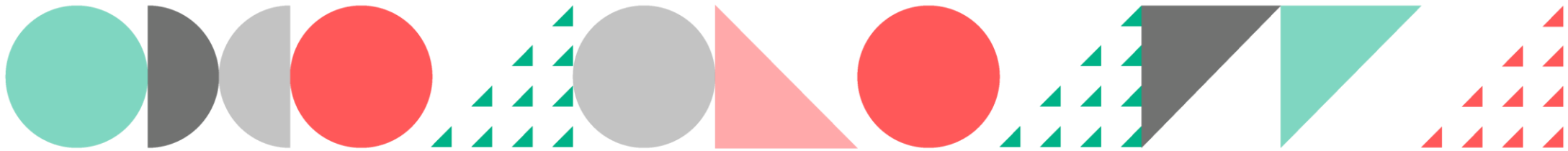


The INNOV-ID instrument

Diogo Gomes de Araújo
Director of Capacity Building



Innova-FI 9th Exchange of Experience
Funchal, 28 June 2022





Problem

- Market gap for **pre-seed and seed financing** for innovative Portuguese start-ups
- Financing **gap got wider** due to the pandemic



Solution

- **Portugal Ventures** and **ANI** joined forces to launch the first INNOV-ID call (2020)

Portugal
Ventures
GROWING GLOBAL



AGÊNCIA NACIONAL
DE INOVAÇÃO





In a nutshell

- INNOV-ID is a **risk capital instrument** managed by Portugal Ventures and funded by ANI (both entities take also part in the evaluation committee)
- **100k€ tickets** are available for investment in innovative, science-based and technological projects
- The aim is to **promote innovative solutions** to stimulate the competitiveness of the main value chains and to give answers to societal problems, with a focus on sustainability and the green transition
- INNOV-ID is a **finance for innovation** public structural measure



In a nutshell

- Direct **beneficiaries** can be researchers, students and teachers, micro-enterprises and SMEs
- Annual budget expenditure up to **5 million €**, depending on the quality of applications
- **Early-stage investment** in companies focused on developing prototype, proof of concept and on getting preliminary feedback from the market
- Online template forms were created to **simplify** applications and the evaluation process



In a nutshell

- Portugal Ventures involved its **Ignition Partners Network** – a network of universities, interface entities, R&D Centres, incubators and accelerators – to pre-screen and submit applications
- **Training** was given to the Ignition Partners Network to ensure pre-screening uniformity
- An **evaluation committee** was formed by experts from Portugal Ventures and from ANI
- Winning projects were allocated **mentors** identified by Portugal Ventures



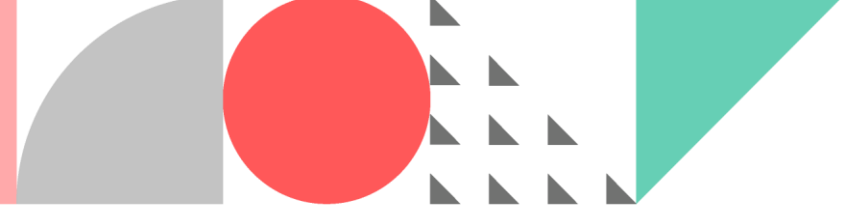
In a nutshell

Winning companies were also supported by:

- Advisory Board for **strategic planning**
- Corporate Partners Network for **Minimum Viable Product validation** and industrialisation/production requirements
- International partners for **commercial leads**

Further equity rounds (following 24 months) were supported by:

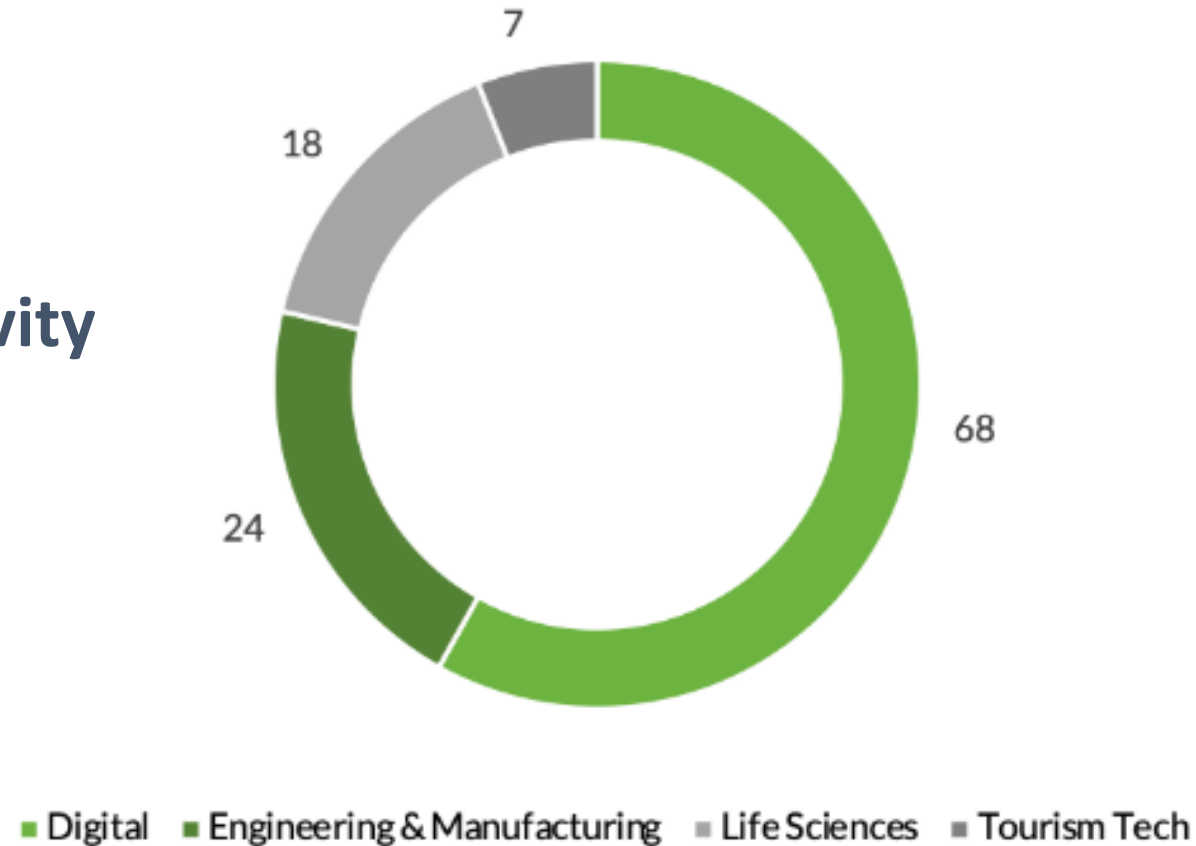
- Ignition Partners Network
- Venture Capital's Network
- International Corporate Ventures

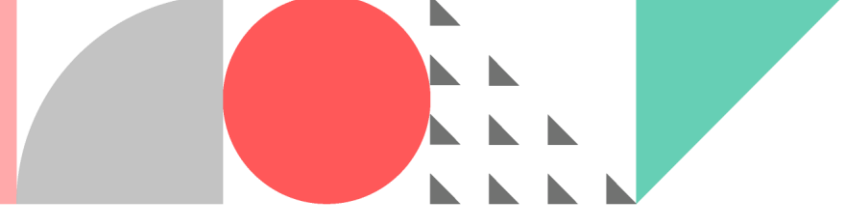


First INNOV-ID Call Results

117 applications in 1 month; **65 projects selected** to pitch before the Board of Directors

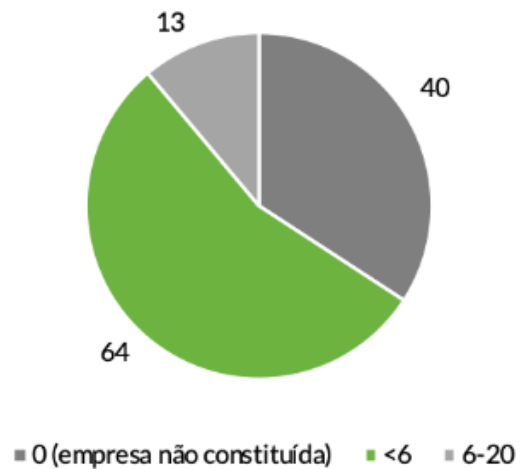
Sectors of Activity



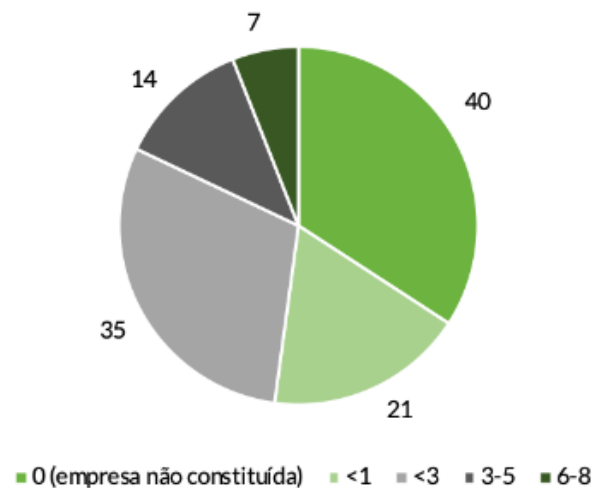


First INNOV-ID Call Results

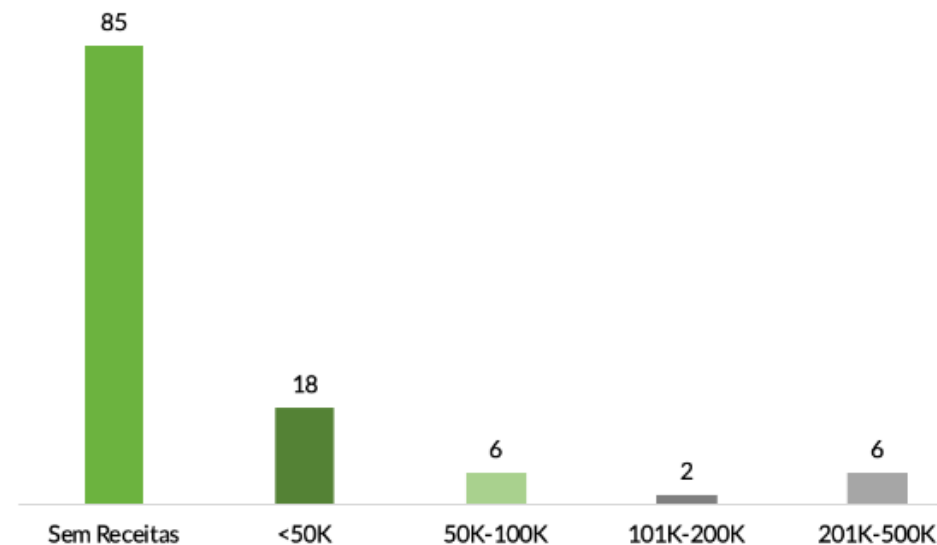
Team Size

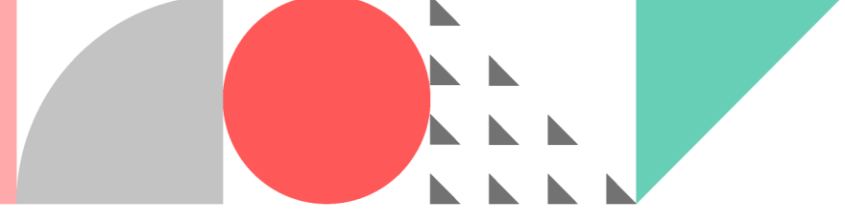


Years After Inception



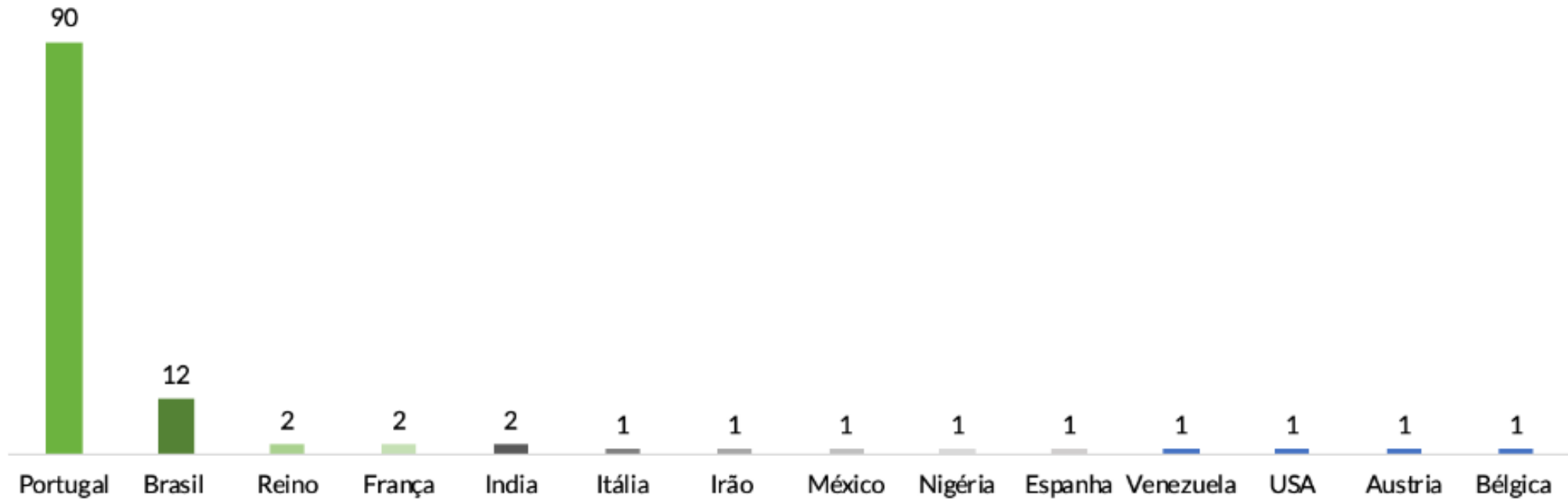
Sales

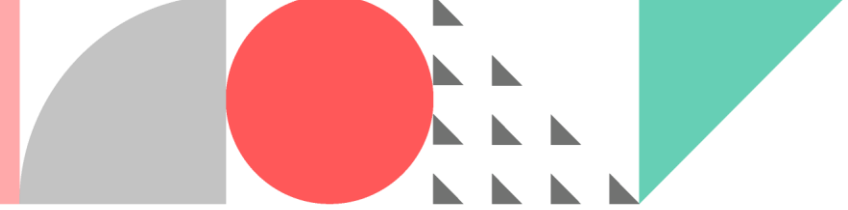




First INNOV-ID Call Results

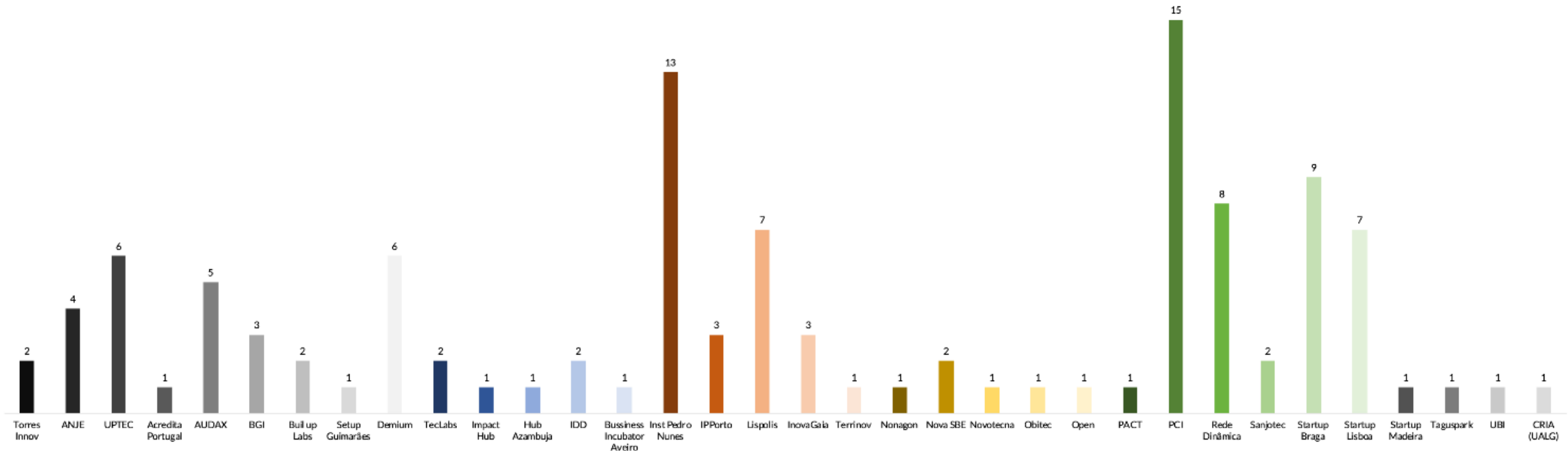
Country of Origin





First INNOV-ID Call Results

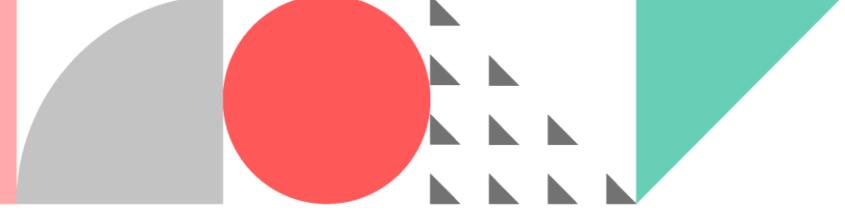
- **Ignition Partners Network** comprised of 36 incubators, accelerators universities, clusters, R&D centre, tech intermediation centres, covering the entire country
- **9 Ignition Partners** were more active in pre-screening and channelling applications





First INNOV-ID Call Results

- **40 investments**
- **4 million €**
- Use of **SAFE – Simple Agreement for Future Equity approach**: 1€ in equity + 100k€ in quasi equity that may be converted in equity if the company is sold or if it gets additional funding
- When exiting the investment, the **Ignition Partner receives a *finder's fee***



First INNOV-ID Call Results



DIGITAL



**ENGINEERING &
MANUFACTURING**



**LIFE
SCIENCES**



First INNOV-ID Call Results

30%

Companies
created after
the INNOV-ID
Call

157

Total jobs
Created

81

Highly qualified
jobs created

25

Intellectual
Property
requests



First INNOV-ID Call Results

9

Companies
started new
rounds of
investment

8M€

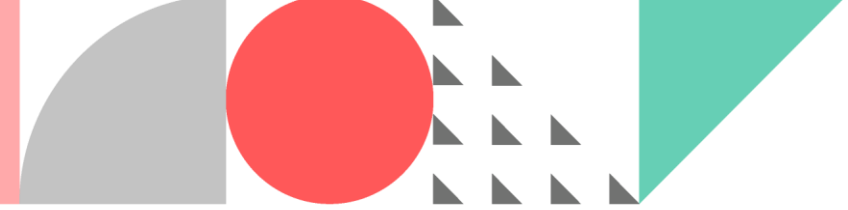
Initial expectations
of new capital to
be raised

2

Companies that
succeeded in
raising capital

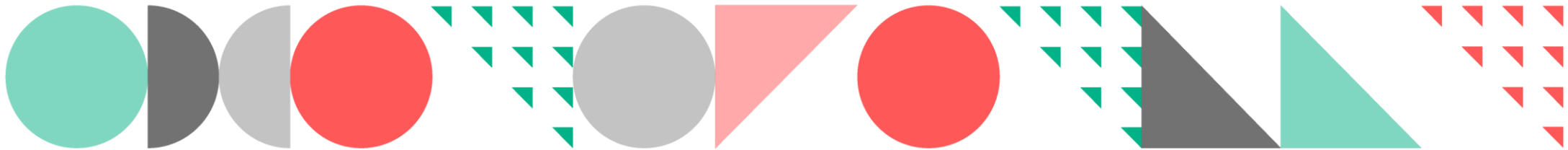
4,5M€

New capital
raised



Sum up

- The **first INNOV-ID Call** was deemed successful in addressing an existing market failure, job creation, intellectual property and access to further equity
- The **involvement of different partners** was critical for this success
- The **Ignition Partners Network** was very important for the swift application process
- A **second INNOV-ID Call** was launched in April 2022
- **85 applications** are currently being reviewed and selected for pitching



MUITO OBRIGADO!

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