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# Portugal Ventures

Risk Capital Funds under ERDF – 18<sup>th</sup> January 2016



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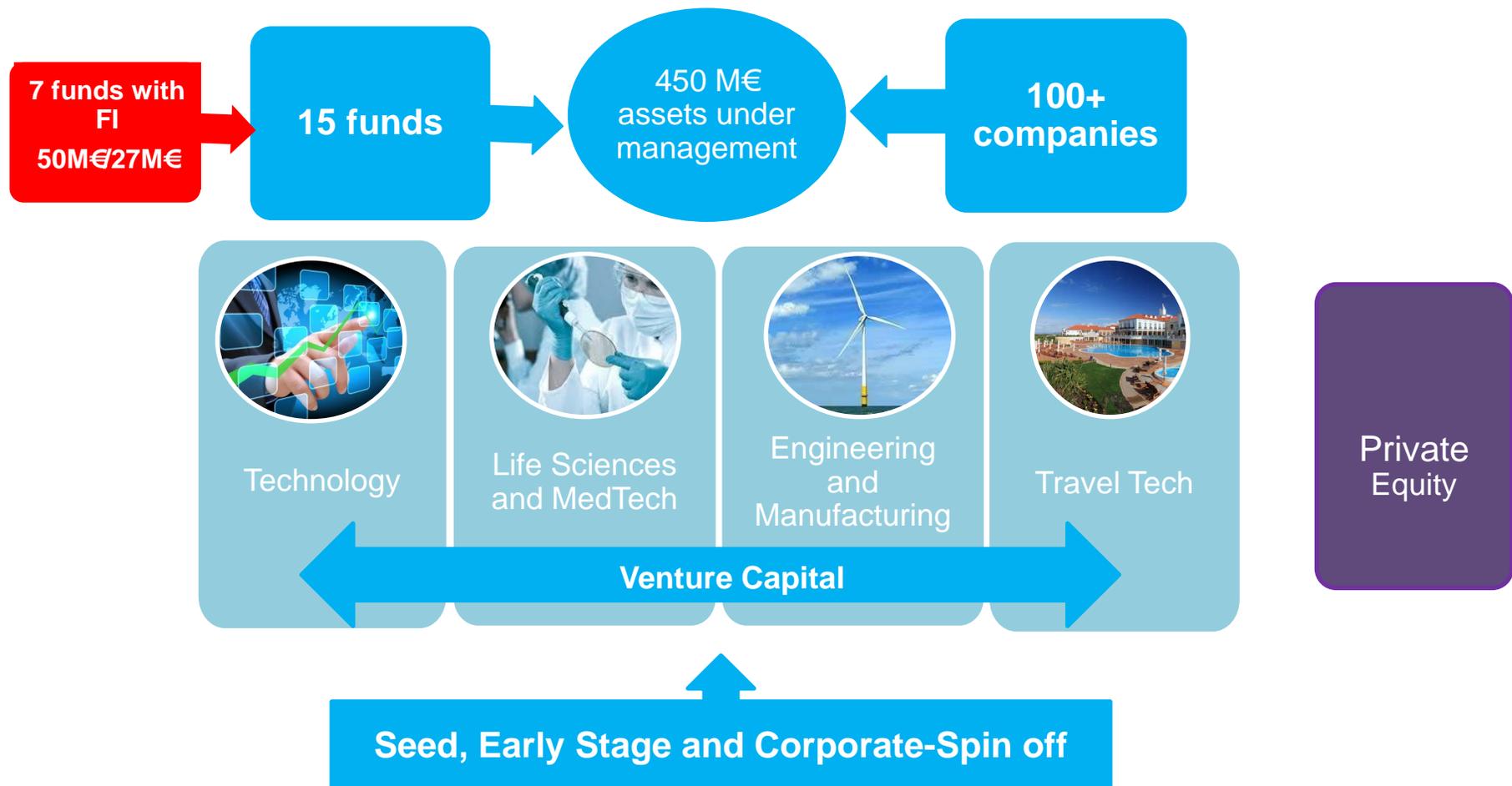
# Agenda

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- **Who we are?**
- **What we did and what have we achieved so far?**
- **How we did it?**
- **Lessons learnt**
- **Why is important to have a government-backed VC?**
- **Q&A**

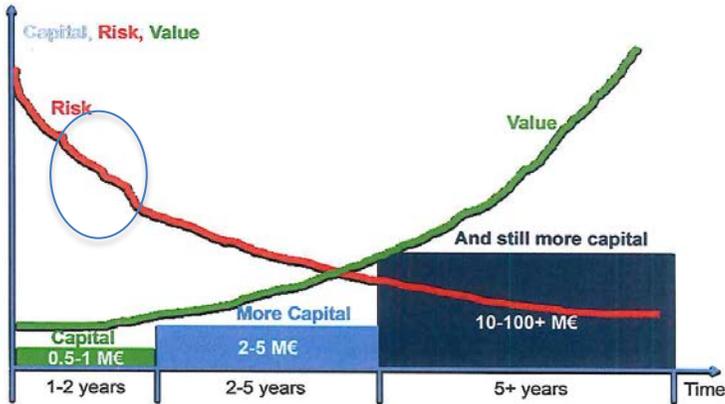


# Portugal Ventures at a glance: **Venture Capital** invests in global tech-based entrepreneurship, that is a long-term challenge for public VC

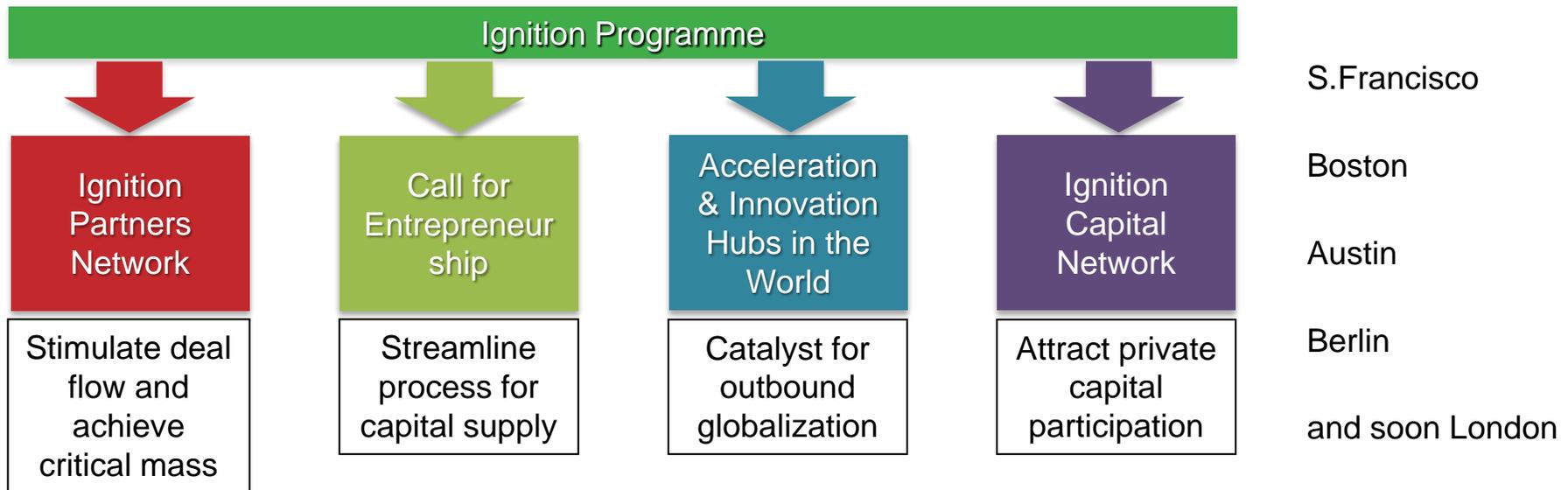




# Founded in June 2012 to boost entrepreneurship and to create a long term sustainable VC industry in Portugal



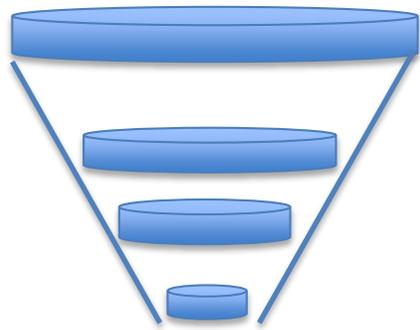
- It needs **openness to the world**, to find in the world everything the endeavor needs and that might not exist at home;
- Public role should not be to **crowd out private** participation, but rather to drive its active and successful participation, **to embrace all** in what must be a national enterprise;
- It requires **perseverance** to execute policies and programmes that need many years to bear fruits.





# More than 1,000 projects submitted, evaluation done through a strong international participation of experts and about 70 M€ invested so far

## 3 years of Call for Entrepreneurship



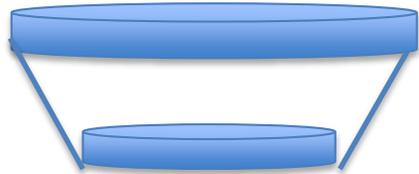
910 Applications

57 (6%) seed Investment (500K€ average ticket)

20 bridge round Investment (1.4 M€ average ticket)

1 International Series A

## 1 year of + Innovation + Industry



107 Applications

6 seed Investment (700K€ average ticket)

3 international exits and 1 Series A in the portfolio co's invested before 2012



## **EU-backed funds** channelled via **COMPETE/PO/FINOVA** played a **significant role** in the financing a new generation of start-ups

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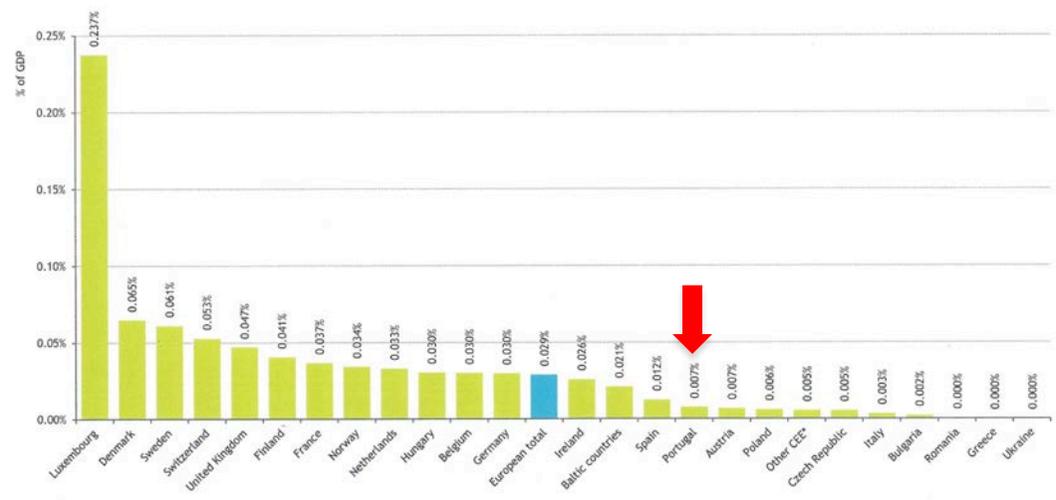
- Venture Capital funding backed by EU funds plays a **decisive role** in the financing of the **Ignition Programme** and in the emergence of a **new generation of tech-based start-ups** fully equipped to compete and hopefully win in global markets;
- **Albeit their critical importance, EU-backed funds pose some execution challenges:**
- Small funds (circa 5 M€) reduce **efficiency** and increase management **costs**;
- **Fragmentation** and **time limits** of capital supply reduces the **depth of investment** and limits the capability to support follow-on investment needs throughout the **maturity cycle** of successful ventures.
- **Geographic limitations** do not always match the reality of the **national talent map**;
- The **concept of internationalization** limits the ability to **expand beyond borders**, e.g. to address the critical need to **capture strategic human capital resources**
- The control of execution rate should take into account the **management costs** of the fund after its investment period



# The Portuguese VC industry has evolved significantly since 2011 to 2014; from below the EU average to above the EU average

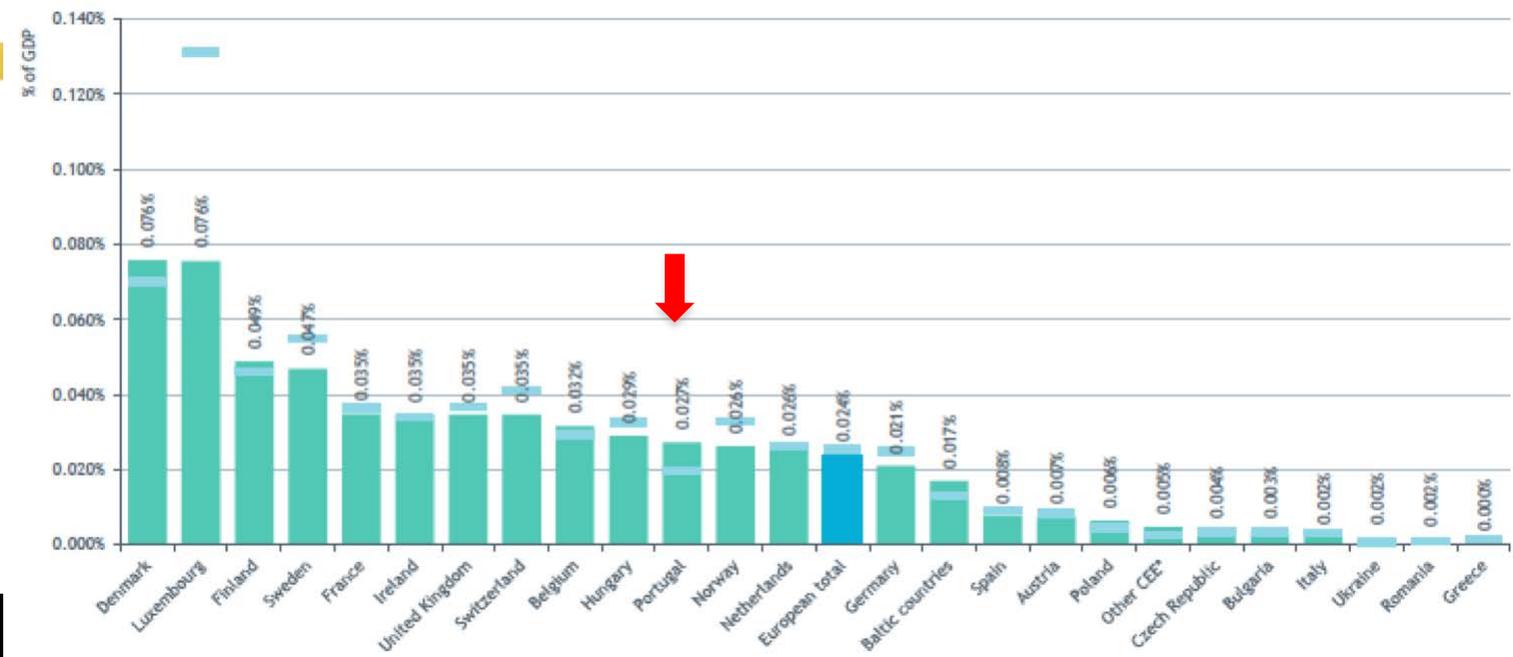
## Venture Capital - Investments as % of GDP

### 2011 - Industry statistics



### 2014 - Industry statistics

Source: Thomson Reuters Datastream (GDP) / EVCA / PEREP\_Analytics  
EVCA EUROPEAN PRIVATE EQUITY AND VENTURE CAPITAL ASSOCIATION





## **Future challenges** in boosting entrepreneurship with a vision for the creation of a long term sustainable VC industry in Portugal

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- Building a knowledge-based economy can not be accomplished overnight
- It needs **openness to the world** to see what others are doing and be integrated in worldwide networks;
- Public role should not be to crowd out private participation, but rather drive its active and successful participation, **to embrace all** in what must be a national enterprise;
- It is a **national endeavor** that must be pursued with resilience and determination;
- It requires **persistence** to execute policies and programmes that need many years to bear fruits;
- It needs the **capacity to continuous funding** understanding **the markets failures** we need to tackle

# Q&A

# Thank you!

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