

# CO-INVESTMENT FUND 2020

## RECIPIENTS

- Small and Medium-Sized Enterprises (SME), as defined in the Commission Recommendation 2003/361/EC, of 6 May, which fit into the Venture Capital seed, start-up, or later stage venture phases - series A and B, for the development of investment projects in the regions of North, Centre, Alentejo, Lisbon (applications currently suspended) and Algarve.

## TYPES OF OPERATION

- Reinforcement of SMEs business skills for the development of new products and services;
- Innovative projects in terms of processes, products, organisation or marketing.

All operations must involve a co-investor, which must correspond to:

- (i) venture capital companies, venture capital fund management companies, venture capital investment companies, venture capital funds, venture capital investors, social entrepreneurship companies, social entrepreneurship funds, specialised alternative investment companies, specialised alternative investment funds, or
- (ii) other entities or individuals who may participate in the capital of companies in Portugal and have already carried out operations similar to venture capital.

## MAIN CONDITIONS FOR ACCESS

### COMPANIES

- To be legally incorporated until the date of the investment operation;
- To have fulfilled all obligations before the Tax Authority and Social Security;
- To be legally operating in mainland Portugal, in the type of operations and investments applied for;
- To have, or to be able to ensure, until the application is approved, the technical, physical and financial means and the human resources necessary for the development of the operation;
- Not to have salaries in arrears;
- Not having closed the same or a similar activity in the European Economic Area in the two years prior to the approval of the funding by the 200M Fund, or, at the time of that approval, not having concrete plans to close that activity within the maximum period of

two years after the conclusion of the business plan financed;

- Not be officially listed on a stock exchange, with the exception of alternative trading platforms;
- To ensure a minimum private funding, which also includes the investment made by co-investors, in the total amount of:
  - 10%, in case the risk financing is granted to companies that have not yet made their first commercial sale in any market;
  - 40%, if the risk financing is granted to companies that have operated in any market for less than seven years since their first commercial sale;
  - 60%, if risk financing is granted for investments in companies:
    - (i) with an initial risk financing investment that, based on a business plan drawn up with a view to entering a new product market or a new geographic market, is greater than 50% of their average annual turnover in the previous five years, and
    - (ii) for follow-on investments in eligible companies after the seven-year period since their first commercial sale.

## **PROJECTS**

- Not be materially completed or fully executed on the funding decision date;
- To demonstrate that it is not an investment operation subordinated to the use of national products in detriment of imported ones;
- Not be projects that result in limitations on individual rights and freedoms or violate human rights, or are unacceptable from a social or environmental point of view.

## **FUND INVESTMENT CONDITIONS**

- Minimum amount of €500 thousand and maximum amount of €5 million from the 200M Fund per target company, having to be equal or less than the total commitment of the co-investors;
- The financial involvement of the co-investors and the 200M Fund in SMEs must consist of at least 70% equity or quasi-equity instruments;
- In case any of the co-investors already holds an equity stake in the Target Enterprise, the investment operation must include other new Investors investing a minimum percentage of 20% of the total round.
- In relation to equity and quasi-equity investments in investee companies:
  - (i) Replacement capital transactions are only eligible if they are combined with new equity that represents at least 75% of each investment round in SMEs and provided that the divested stake is not held by the co-investor;

- (ii) A maximum of 30% of the total amount of the Investment Operation (financial involvement of the Investors together with the investment amount of the 200M Fund) may be used for liquidity management purposes.
- The total amount of the investment with European Structural and Investment Funds and co-financing may not exceed €15 million per eligible company.

## **APPLICATIONS**

Through the electronic form available at <https://www.200m.pt/>.

**The consultation of this information does not waiver the reading of the [disclosure document](https://www.200m.pt/) and the other documents available at <https://www.200m.pt/>.**