

Inside Breaking News Edition Portugal Ventures in the Bay

Editorial



One Year On... All is ON

With the end of 2013 just 5 weeks away, we would like to bring to you all that we at Portugal Ventures have done this past year to contribute to the development of the technology-based entrepreneurial ecosystem that is expected to create the foundations of a modern, globally competitive economy in the years to come.

The participation of Portugal Ventures in the national effort to stimulate the emergence of a solid tech-based entrepreneurship culture is anchored in the 4 pillars of the Ignition Programme.



The **Ignition Partners Network** is today a vibrant reality of 40 partners that throughout Portugal work enthusiastically to promote entrepreneurship founded on solid knowledge and competitive innovation. Altogether, our partners have supported 46% of the 411 start-up projects that have been submitted, involving a total of 1,194 entrepreneurs of which 198 have completed a Ph.D. degree. It is an important accomplishment for an initiative that took-off just a little over a year ago, but we like to think that there are still significant efforts that can be deployed to achieve the ultimate goal of translating into economic value the scientific and technology foundations that are being built within the national university system. Stimulating all those who have achieved the highest possible academic qualification and who are in search of a future activity for their knowledge is certainly one of those efforts that must be pursued with renewed effort, because there is nothing more rewarding than a future where one can earn what one dreams by taking control of destiny.

The **Call for Entrepreneurship** has just closed the submission phase of its 5th edition. In all 5 editions, we have registered a total of 1,170 projects working on the on-line submission platform. The 411 projects that have pushed the submission button requested a total investment capital of about 190 million Euros. 14 new start-ups have already received seed capital investment from Portugal Ventures and are now working round the clock to spotlessly execute the proposed development milestones to make the next round of funding more likely to be achieved. By the end of the year, we expect to have invested in about 20 projects and deployed about 10 million Euros of seed capital. This will represent an investment selection rate of about 5%, which compares very generously with the much stricter investment selection rates we see in some of the most competitive ecosystems in the world. In the year ahead, we would very much like to see a significant increase in the number of invested start-ups, not by relaxing the already generous selection rate but by seeing more and better prepared start-up projects.

This should remain the single most critical objective of all of us who are working together to create a globally competitive national ecosystem capable of attracting significant inbound flows of talent and capital.

Portugal Ventures' 1st **Acceleration and Innovation Hub in the World** is now up and running at nestGSV, in Redwood City, ready to support all the start-ups invested in by Portugal Ventures and its partners, which could benefit enormously from being exposed to the unique power of interaction that Silicon Valley can provide. In short, this is a space that can be collectively shared; a space that is made easily accessible to our companies and partners, by giving them the opportunity to come in and go out at their convenience, be it one day or one year, without the strings normally attached to an office rental; a space that is embedded in a dynamic and stimulating environment that facilitates contacts and interactions with pretty much everything that can be of interest to start-ups in their various stages of development; a space that is surrounded by some of the best and brightest, the most talented and the most resourceful, the most innovative and the most competitive professionals and investors one can find in the world; last, but not least, a space that is supported by a team of experienced and dynamic people who are familiar with the environment and who are our "best friends" to help navigate, communicate and interact in a rather competitive world. It is indeed a space that should not be overlooked by all those who have global ambitions for their dreams and ventures.

The **Ignition Capital Network** is now also a reality that already involves 11 business angels and seed capital funds, and more are expected to join soon. All have in common with Portugal Ventures the motivation to be part of the start-up journey and provide valuable support to the transformation of promising start-ups into globally competitive companies. In just over 2 months of existence, these partnerships have already executed 8 co-investments and added an additional 2 million Euros to the investments made by Portugal Ventures, for the benefit of the newly emerging companies and entrepreneurs. It is indeed a partnership that we value immensely and which we hope to see widen and deepen in the year ahead.

We would like to thank you all for your efforts, support and contributions in 2013, and look forward to seeing the pillars of our Ignition Programme grow stronger in 2014. This will signal a vibrant ecosystem that works together to promote the economic development of knowledge, laying the foundations of a modern and globally competitive economy capable of offering new opportunities to all those who dare to dream and to do, and making Portugal an attractive international hub of entrepreneurship and innovation. We count on all of you to make this happen!

José Epifânio da Franca
 Chairman and CEO of Portugal Ventures

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Portugal Ventures in The Bay



Powered by:

With the purpose of supporting the development and acceleration of Portuguese start-ups, by opening up the doors to the world, Portugal Ventures has established an accelerator in Silicon Valley.

At this accelerator, located in the world's largest innovation pole, companies will have the opportunity to connect with all players in the ecosystem; serial entrepreneurs, start-ups, established companies, venture capitalists and business angels, with great investment track records, thus generating new contact networks and obtaining business feedback that will enable them to understand what they should focus on and which steps they can skip in order to grow faster than the competition in a global world.

Portugal Ventures' accelerator in Silicon Valley is open to companies and to the entire Portuguese technology-based entrepreneurship ecosystem. Located in nestGSV, Portugal Ventures' accelerator is integrated into one of the fastest growing incubators in Silicon Valley, which hosts more than 50 start-ups from all over the world and has strong ties with a variety of players in the world's entrepreneurship ecosystem.

The companies which set up shop in this new accelerator can also count on support from Leadership Business Consulting, which has vast experience in supporting start-ups and more mature companies settle into Silicon Valley.

On 7th November, Portugal Ventures officially opened its first ever centre, with an event where nine promising start-ups pitched: Anabisnetworks, Biosurfit, Fibersensing, Gleam, Muzzley, Perceive3D, Streambolico, Unedged and Wizi.



These are companies from different sectors and in different stages of business development but which have two aspects in common:

- 1) They are passionate, have global ambitions and innovative and differentiated projects
- 2) They are a great example of a new phase in the Venture Capital investment strategy followed by Portugal Ventures and its partners in the Ignition Programme



The investors, entrepreneurs and executives from Silicon Valley that were at the event had the opportunity to see the incredible presentations and be impressed by the projects.

This was the first event and, in the near future, as soon as new worldwide start-ups from our portfolio emerge, we will organise another one in our continuous effort to open up the doors to the world.

The event was opened by the honourable Consul General of Portugal in San Francisco and we also had the privilege of listening to Bruce Taragin, Managing Director of Blumberg Capital, talk about "An outside view of the Portuguese start-up ecosystem".

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About Portugal Ventures in The Bay



Francisco Fonseca: *Portugal Ventures offers Portuguese companies a highly motivating platform that supports and strengthens the innovation and development of local entrepreneurs and trailblazers. Thank you for the opportunity to showcase that we can compete on a global scale with our best innovation, and contribute to creating new industry benchmarks. This event is a reminder to the world that we may be small but we are powerful!*



Eduardo Pinheiro: *In order for life to exist, there needs to be a perfect combination of different variables. Portugal Ventures believes this and, therefore, has joined forces with the Portuguese start-ups of this world. PV has created the perfect environment for the success of these brilliant start-ups.*



Maria d'Orey: *While the networking opportunities were a highlight, the fact that we were privileged enough to be a part of an event that showcased Portugal and its start-up ecosystem in a new light in one of the greatest hubs for technology and innovation in the world was also pretty amazing.*



João Barros: *PV in the Bay showed Portugal at its best: entrepreneurs and start-ups who own cutting-edge intellectual property, the venture capital that supports them, and the ambition to seek new customers well beyond national borders. By helping to project a positive and engaging image of Portugal as a high-tech country, PV in the Bay is laying the ground for an easier "soft landing" of Portuguese start-ups in Silicon Valley, which, for companies like Streambolico, is really the place to be.*



Paulo Dimas: *Portugal Ventures' event in the Bay Area has put Wizi in the limelight of Silicon Valley. It was a unique opportunity to engage directly with companies like Google and foster business opportunities with some of the major mobile operators in the world, like Telefonica, with whom Wizi has recently launched in Brazil, reaching an audience of millions of subscribers.*

Portugal Ventures in the Bay Gallery



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Working in the Bay

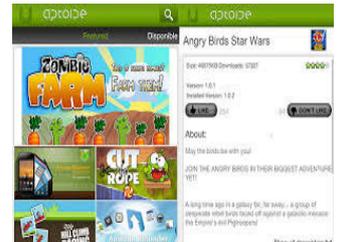
Aptoide and Gleam are two of the companies that were in Silicon Valley to bolster their business by networking with clients and partners and obtaining information. Let's see what they had to say about the opportunity:

Paulo Trezentos - CEO of Aptoide

In what way are you present in SV?



For most of the year, we have someone in San Francisco. The objective of that Aptoide collaborator is to help developers upload their applications to the platform and thereby become one of the 130,000 different applications that Aptoide has to offer to its users.



What do you value most in SV?

San Francisco is a centre of gravity in the area of app publishing. It is there that not only the largest companies that develop apps and games for Android are, there is also a significant ecosystem of independent publishers which strengthen our offer.

In what way did the Portugal Ventures programme and the Portuguese diaspora aid your insertion in SV?

We widened our network through Portugal Ventures' programme, which helped us get to know and exchange views with some of the most interesting people in Silicon Valley, thus increasing our exposure. On the other hand, the Portuguese companies backed by Portugal Ventures are always a great forum for sharing experiences and discussing ideas.

What are your plans for the future?

Our people are going to remain in Silicon Valley, and they may increase in number as the number of certified Aptoide publishers grows. We also aim to be present at major events in San Francisco, like GMIC, to make contact with new partners and clients. Finally, our strategy includes building bridges with some news and content editors based in Silicon Valley as a way to disseminate our brand and products to a greater number of Aptoide users.



Maria d'Orey - Managing Director of Gleam

In what way are you present in SV?

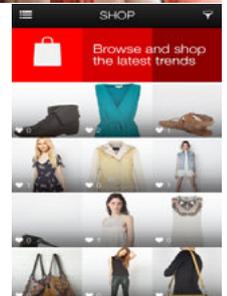


We currently don't have a presence in SV, however Gleam has spent a considerable amount of time there since the launch of the project, namely when the CTO and I spent almost a month in SV / SF this year for an acceleration programme focused on operational contacts that would help us ramp up and support both the product's development and user growth we predict for the next year of operation.



What do you value most in SV?

People's openness, willingness to talk to anyone, and their drive to succeed. From a community perspective, you truly feel that everyone is interested in what people are doing generally, no matter who you are or where you might happen to meet them, and genuinely reflect on how they might help you achieve your goals and contribute to any project in a positive way.



In what way did the Portugal Ventures programme and the Portuguese diaspora aid your insertion in SV?

When Gleam spent some time in SV this year we always felt the support of the PV programme and Leadership Business Consulting, in logistical terms but more importantly in helping us make the most of our stay by helping us in getting out there in the community, by attending events, aiding in scheduling meetings, sharing small tips on the local "lingo" and many other ways that just came organically through our ongoing interaction during the programme.

What are your plans for the future?

Gleam is currently growing both in number of users and markets where we have a significant presence - our goals are to sustain this growth and keep delivering the best possible product to ensure our users see us as their go-to source for all things fashion, no matter where they might be.

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Experts in the Bay

This is what the experts who have been helping us establish companies in Silicon Valley have to say.



Bruce Taragin - Managing Director at Blumberg Capital

Please tell us about yourself and how you relate to entrepreneurship and innovation.

Sure, I will. Thanks for having me here today, and I'm a Managing Director at Blumberg Capital. We're a classic early-stage venture fund investing in disruptive technologies, globally. So, as a firm, we're geographically agnostic. We are Seed and Series A investors and we have probably invested in ten to fifteen companies a year for the last, you know, decade or so. And we've just recently launched our Fund III, it's a US\$150 million seed-stage fund, focused again on supporting entrepreneurs that are trying to disrupt any given market.

What was your initial reaction on your trip to Portugal?

Candidly, I didn't know what to expect, and it's obviously an incredibly beautiful country. It's always nice to be on the water and have that sort of beauty and charisma, and it struck me as to how similar it was to visiting Israel, which my firm has been investing in Israeli technology for the last twenty or thirty years, and I was quite impressed by the audience, the innovation, the entrepreneurship and the seeming willingness to just try and do anything to attack a given market, and a sense of no chance of failure but rather the optimism - that was pervasive in the audience. And you have some great Universities, some great technology, engineering talent coming out of those Universities, and some interesting, local partners so I was quite sanguine.

What analysis do you do of the state of the ecosystems there?

Specifically, again as I mentioned before, we, as a fund, are really geographically agnostic so I think what's important that differentiates us from any of the other venture funds in the state of California, and for that matter in the United States, is that we're not as concerned about where the technology comes from but rather, where is it heading? Where are you launching? What markets are you potentially attacking? And, being that my firm physically resides in Silicon Valley, that is where we can add the most value. And so, what we think of today, really, how venture capital has evolved over the last ten or twenty years is, we're investing in outsourced research and development in some of these regions. Again, it is less important where the technology starts but rather where it is focused on attacking, and still today the United States is the greatest market in the world to penetrate. That's where we have unique relationships that we've developed over the past, two or three decades. And so, for us, what's important is that the entrepreneurs think about that and, again, the similarity of Portugal - having ten million people, roughly in the country, and you look at Israel with seven and a half million people - clearly there is no local market. And so, what excited us is that entrepreneurs appreciate that and they view the opportunity to maybe learn and develop and get the kinks out, almost alpha test and beta test their products locally in the Portuguese market, but ultimately launch and focus on North America where we reside. So that really resonated with us, and we think it provides tremendous invest opportunity going forward.

Besides attracting new markets, what else can entrepreneurs expect in Silicon Valley?

The top 50 acquirers in the world are, for the most part, based here in the US market. So whether it's Facebook, Cisco, Intel, Twitter, these are the companies that have billions of Dollars on their Balance Sheet that are going to probably, remember we're talking about outsourced research and development, acquire those companies - whether they're coming from Tel Aviv, from Lisbon, from Berlin; that's less important. What's more important is that's where innovation is coming from. It's not from these larger, more established companies here in Silicon Valley and abroad.

You just attended an event dedicated to entrepreneurs and innovation in Portugal. What did you find today that intrigued or interested you the most?

When I was in Lisbon at the Seedcamp Event that was held last year, and just two weeks ago I did a Skype presentation to Lisbon for the Lisbon Challenge and spoke to a bunch of entrepreneurs there, I was impressed, and I continue to be impressed with some of the entrepreneurs at the PV in the bay event and what they are developing, and I love the sense of world domination. There's no sense of fear and apprehension of "oh, we're just a small country and we're these early stage entrepreneurs...". I don't get that sense. There's a sense of "We want to disrupt. We want to innovate. We want to attack this market. And we can and will succeed." And, I really was impressed with a handful of companies that I've met and have spoken to, both that presented and that I spoke to offline in the networking session at this event. So I, again, remain very optimistic for innovation coming out of Portugal, as yet one other region across Europe that can innovate and attack, and so, I feel very positive.

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Nuno Gonçalves Pedro - Managing Partner & Director of Strive Capital

Nuno has over 15 years experience in the mobile industry. Previously, he was McKinsey & Co's Senior Expert for Telecom, Media & Technology in Asia-Pacific and a member of its Leadership team. Before that, he was GSM Association's head of Strategy, Corporate & Business Development. Nuno is a frequent speaker at key industry gatherings such as the Mobile World Congress, Mobile Asia Congress, JP Morgan Company Access Days, Deutsche Bank's Access Asia and Access China, among many others. He has also been a member of the Jury for the Global Mobile Awards since 2009. Nuno has been a counselor for the internationalization of the Portuguese Economy since 2005 and was recognized in 2006 as one of the "top 26 Portuguese executives abroad". He is a Computer Engineer by IST at the Technical University of Lisbon and holds post-graduate diplomas from Wharton School at UPenn, London Business School and the Stanford Executive Program at Stanford GSB.

What do you think of the performance of the Portuguese companies in SV?

I think there are still only few cases of Portuguese companies that are truly based in the Bay Area - San Francisco and Silicon Valley - that have raised money from institutional investors here and are fully based in the region. From all the recent movements of Portuguese start-ups to the Bay area, I think we will see a much broader participation in the ecosystem; right now, the successes are still far in-between and constitute anecdotal evidence, rather than a proxy on the performance of Portuguese companies here. In summary, I don't think we can talk about the performance of Portuguese companies in the Bay area just yet.

In what way can the Portuguese diaspora support Portuguese start-ups?

Well, the most important thing the Portuguese diaspora can do is to support its start-ups in tangible ways and only two come to mind:

- (1) introduce start-up founders to core people in the ecosystem here - what we normally call "opening doors" and
- (2) by help funding these start-ups either at an angel-level or with institutional investors (VCs, etc). That said, I think that the Portuguese diaspora still lacks critical mass not just here in the Bay area, but also globally, to make a real impact for start-ups in need of support.

What did you think of Portugal Ventures in the Bay?

I think this is a good start, but only time will tell. The commitment to bridging the Bay area with Portugal is clearly visible, but the real question will be if Portugal Ventures will go beyond the organization of events and a small presence here in the Bay area, into really using its presence here as a true accelerator and catalyst for change of its portfolio companies and itself.

What advice do you have for Portuguese start-ups?

There are some great Portuguese start-ups that I meet, but for the most the ones I meet more often fall into two "types":

- (1) Those who come to me at "idea" stage and are very focused on planning and strategy, rather than execution; to those, I would say that the key is to show at least an MVP (minimum viable product) and ideally launch into the market to see the response of real users (consumer or enterprise) and then it is worthwhile having a discussion with institutional investors or even angels. The notion that funding comes before implementation does not work for the most anymore and I would urge these start-ups to have a very "lean start-up" mentality, bootstrap as long as they can and have a strong skew towards execution. As much as there is a temptation to get bloated early on - bloated on team size, bloated on product features, etc - I would urge them to resist that temptation and move forward until they have real user traction.
- (2) Start-ups that have made good progress in a couple of markets, typically Portugal, some other countries in Europe or in Latin America, and that continue focusing on a country-by-country strategy. In spaces such as mobile or online, and in particular in the consumer arena, markets are highly equalized and distribution can be for the most global (I admit not fully global as there are pockets of regions/countries that cannot be addressed without a local/regional go-to-market, but in any case, mostly global). I would ask those start-ups to design their product(s) in a global way, how to participate in meaningful large markets (e.g. US, Japan, Korea, China) and what does that imply in terms of their operational model and team - both geographically, talent-wise, etc.

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Norberto Guimarães - Senior Product Manager at Google

Norberto holds a Master's Degree in Industrial Engineering and Management from the University of Porto and an MBA from Berkeley and has extensive experience in Product and Marketing Management as well as business management and development. During his career, Norberto has co-founded and/or worked for seven mobile, web and high-tech companies and was co-founder and CEO of MojaMix. He is currently Senior Product Manager at Google and is on the Portuguese National Board for Entrepreneurship and Innovation. Previously, he was Product VP at Clever Sense and also held a number of management positions at Continental and was business development manager and product manager at Continental Automotive Systems.

What do you think of the performance of the Portuguese companies in SV?

I have not followed most of the Portuguese startups which have stayed in SV for longer periods of time closely, but the Portuguese entrepreneurs that I have met here arrive very motivated and have strong technical leads.

In what way can the Portuguese diaspora support Portuguese start-ups?

The Portuguese diaspora can help with setting the right expectations for incoming entrepreneurs to SV. It can also relay practical advice for living in the Bay area and share experience about hurdles for a smooth transition. In some cases, when appropriate, the diaspora can introduce the entrepreneurs to contacts in SV that otherwise would be hard to find by themselves.

What did you think of Portugal Ventures in the Bay?

I was impressed by the development stage of the early startups that I encountered given that they already had some large customers and had done their homework in terms of the types of partners they were looking for in the Bay area.

What advice do you have for Portuguese start-ups?

Focus on a very specific pain point for your customers and have a razor sharp pitch. Being unfocused and diluting the message are the most typical mistakes that I see in international startups arriving to the Bay area.

Warm-up for the Portugal Ventures in the Bay

On the day before the event, our entrepreneurs also had the opportunity to share views with Portuguese entrepreneurs/executives:

- Nuno Pedro, Strive Capital - Moderador
- Norberto Guimarães, Google/Youtube
- Nuno Sebastião, Feedzai
- Miguel Baltazar, Outsystems
- Eduardo Pinheiro, Muzzley
- Diogo Mónica, Square

We would like to thank them, and our partners, for making this event possible.



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Call For Entrepreneurship: A Great Response to a Worthy Challenge

The Fifth Call For Entrepreneurship closed on 14th November with 72 projects submitted and a total potential investment of almost 40 Million euros.

Next Call will start on 27th January and we have already invested in 14 projects. The Call For Entrepreneurship is a dynamic and ongoing initiative carried out periodically, so if you are an entrepreneur don't miss out on an opportunity to build your dreams.



The Call For Entrepreneurship kicked off in mid-October 2012. With the active support of our partners from the Ignition Partners Network, a critical goal was achieved: the unleashing of the entrepreneurial spirit in hundreds of new entrepreneurs whose dreams and global ambitions are founded in solid scientific and technological backgrounds.

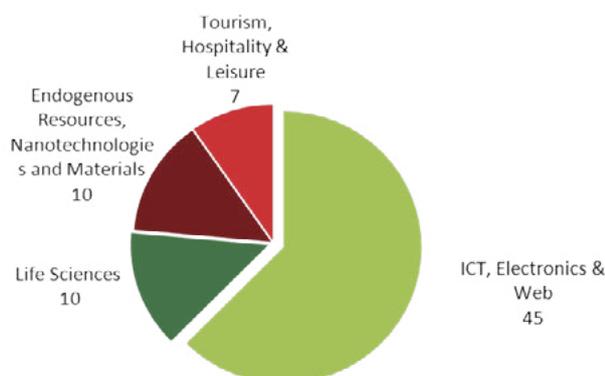
The numbers on record are the best testimony of the enthusiastic response that the several Calls realised thus far-have received: more than 1100 registrations on our web-based platform, more than 400 submitted projects and a total potential investment of almost 200 Million euros.

To ensure the soundness and quality of our investment decisions, we are grateful for having alongside us experts who have generously offered their experience and knowledge. The Call For Entrepreneurship is the entry point to the Ignition Programme, to promote investment for market-oriented scientific and technological projects in the Seed Capital phase. Main goals:

- Reinforce the Portuguese entrepreneurship ecosystem by improving the link between entrepreneurs, R&D centres, incubators, industry experts and Venture Capital;
- Economic valorisation of scientific and technological knowledge and use of its potential to change the structure of the Portuguese economy and to increase its competitiveness;
- Attract and retain talent;
- Provide access to global investors and strategic partners.

	1 st Call	2 nd Call	3 rd Call	4 th Call	5 th Call	Total
Projects Submitted	143	94	55	47	72	411
Total Potential Investment (M€)	49,4	47,3	27,2	26,5	39,2	189,6

Submissions 5th Call For Entrepreneurship



Get Ready! Sixth Call starts on 27th January

CALL FOR ENTREPRENEURSHIP
 Don't miss out on an opportunity to build your dreams!
 Submissions end **27th February!**
www.portugalventures.pt



Credits, acknowledgments and thank-yous

Chief Editor: Rita Marques; Translator: Rossana Lima

We would like to thank all those who made this newsletter possible and who generously contributed to the Breaking News Edition. We will strive to make this a useful point of contact with Portugal Ventures, to share outside knowledge and experiences and to bring along the exciting news and achievements of all those we are here to support - our entrepreneurs and their companies. Thank you!