
**200M Fund - Eligibility and Selection
Criteria for Co-Investors
and Beneficiary Companies/Investment
Operations**

21.09.2018

200M Fund – Eligibility and Selection Criteria

- Co-investors and investments are assessed based on:
 - Eligibility criteria; and
 - Selection criteria.
- Applications that do not fulfil any of the Eligibility Criteria (both for Co-investors or for Beneficiary Companies/Investment Projects) will not be accepted.
- Selection Criteria take into account the total score resulting from the weighted sum of the score of each of the individual criteria.
- Only Co-investors that obtain a score equal to or greater than 3 shall be selected for consideration by the Investment Committee. Only Beneficiary Companies/Investment Operations that obtain a score equal to or greater than 3 shall be selected for appreciation by Investment Committee (these conditions are cumulative).

200M Fund – Eligibility and Selection Criteria

- Selection of Co-investors:

$$\text{Total score} = 0.30A + 0.30B + 0.10C + 0.10D + 0.20E$$

For applications with multiple Co-investors, the total score will take into account the weight of the investment made by each of the Co-investors in the total amount of the investment operation:

$$\begin{aligned} \text{Total score} = & [0.30A + 0.30B + 0.10C + 0.10D + 0.20E] \times \text{weight } CI_1 + \\ & [0.30A + 0.30B + 0.10C + 0.10D + 0.20E] \times \text{weight } CI_2 + \\ & [0.30A + 0.30B + 0.10C + 0.10D + 0.20E] \times \text{weight } CI_n \end{aligned}$$

where:

weight CI_1 is the weight of the investment made by Co-investor 1 in the total investment operation

weight CI_2 is the weight of the investment made by Co-investor 2 in the total investment operation

weight CI_n is the weight of the investment made by Co-investor n in the total investment operation

Fund 200M – Acceptance and Selection Criteria

- Selection of Beneficiary Companies/Investment Operations:

$$\text{Total score} = 0.20A + 0.075B + 0.15C + 0.075D + 0.10E + 0.10F + 0.10G + 0.20H$$

- The result of the sum of the weighted scores of each of the individual selection criteria (total score) must be a whole number.
- The 200M Fund Investment Committee will assess the Co-investors and Final Beneficiary/Investment Project, evaluating its' Total Merit, positively or negatively, based on the prior analysis made by the Fund Manager, as well as strategic, technological and market criteria, among others more specific identified by the members of the Investment Committee, given their experience and knowledge of the investment areas and the characteristics of the proposals under evaluation.
- Only applications that the Committee considers to have positive merit regarding both Co-investors and Beneficiaries/Investment Projects (cumulatively) will be approved for co-investment by the 200M Fund.

200M Fund – Eligibility and Selection Criteria: Co-investors

CATEGORY	CRITERIA	YES/NO
Eligibility	Legally incorporated (Article 6 (a) of 200M Fund's Management By-Laws)	
Eligibility	Portuguese or international co-investors that may operate in the euro area (Article 6 (n) of 200M Fund's Management By-Laws)	
Eligibility	Have no debts owing to Tax Authorities or to Social Security (Article 6 (b) of 200M Fund's Management By-Laws)	
Eligibility	May legally conduct business in mainland Portugal and under the typology of operations and investments for which it is submitting an application (Article 6 (c) of 200M Fund's Management By-Laws)	
Eligibility	Repayments in order as regards financing from European Structural and Investment Funds (when applicable) (Article 6 (e) of 200M Fund's Management By-Laws)	
Eligibility	Have or can ensure the technical, physical, financial and human resources needed to carry out the operation until the application is approved (Article 6 (d) of 200M Fund's Management By-Laws)	
Eligibility	The co-investor(s), spouses thereof who are not legally separated, parents and children, or partners in cohabitation, do not hold nor have they ever held more than 50% of the share capital of a company that has not complied with a notification to return funds within the scope of an operation funded by European funds (Article 6 (f) of 200M Fund's Management By-Laws)	
Eligibility	Accept to be audited by the audit entity of the Member State, the European Commission, the European Court of Auditors, as well as by the Portuguese Certifying Authority and undertake to provide all information required for continuous monitoring of the financial instrument by the IFD and Operational Programmes (Article 9 of 200M Fund's Management By-Laws)	

200M Fund – Eligibility and Selection Criteria: Co-investors

CATEGORY	CRITERIA	YES/NO
Eligibility	Their economic and financial situation is sound or they demonstrate an ability to finance the Operation (Article 6 (g) of 200M Fund's Management By-Laws)	
Eligibility	Have not submitted the same application, for which the decision-making process is still ongoing or which received a positive investment decision, except for situations in which the application was withdrawn (Article 6 (h) of 200M Fund's Management By-Laws)	
Eligibility	Have not been convicted in criminal or administrative proceedings for the violation of child labour laws and those of employment and workplace discrimination, in particular based on gender, disability and on the grounds that a person has a pre-existing aggravated risk to their health, in the three previous years reckoned from the date of the final sentence, save if a longer period results from the penalties imposed as part of the proceedings (Article 6 (i) of 200M Fund's Management By-Laws)	
Eligibility	Keep accounts pursuant to applicable law (Article 6 (j) of 200M Fund's Management By-Laws)	
Eligibility	Are not deemed an “undertaking in difficult”, as defined by article 2 of Regulation (EU) No. 651/2014, of 16 June (Article 6 (k) of 200M Fund's Management By-Laws)	
Eligibility	Declare that the company is not subject to an outstanding recovery order, whether pending or not, following a previous Commission decision declaring an aid illegal and incompatible with the domestic market, pursuant to article 1(4)(a) of Regulation 651/2014, of 16 June (Article 6 (l) of 200M Fund's Management By-Laws)	
Eligibility	Declare that no wages are in arrears (Article 6 (m) of 200M Fund's Management By-Laws)	

200M Fund – Eligibility and Selection Criteria: Co-investors

CATEGORY		CRITERIA	SCORE	WEIGHT
Selection	A	Accumulated experience in investment (in the past ten years) of the individuals that make up the co-investor's management team related to investments in projects in the venture capital stages and respective divestment, and to managing these types of companies	Accumulated investments of less than 5 M€ - 1	30%
			Accumulated investments equal to or greater than 5 M€ and less than 20 M€ - 3	
			Accumulated investments equal to or greater than 20 M€ - 5	
Selection	B	Accumulated experience in investment (in the past 10 years) of the individuals that make up the co-investor's management team in the verticals of Life Sciences, BioTech, Information Technologies, Tourism and Industry 4.0 Activities	Accumulated investments of less than 5 M€ - 1	30%
			Accumulated investments equal to or greater than 5 M€ and less than 10 M€ - 3	
			Accumulated investments equal to or greater than 10 M€ - 5	
Selection	C	Value of Venture Capital assets under management (paid-in capital)(seed, start-up, later stage venture - Series A and B) of the Co-investor	Assets under management of less than 10 M€ - 1	10%
			Assets under management greater than or equal to 10 M€ and less than 50 M€ - 3	
			Assets under management greater than or equal to 50 M€ - 5	
Selection	D	Value of Venture Capital assets under management (paid-in capital)(seed, start-up, later stage venture - Series A and B) of the Co-investor financed by relevant LPs*	Assets under management of less than 3 M€ - 1	10%
			Assets under management equal to or greater than 3 M€ - 5	

* Relevant LPs in Venture Capital are deemed: Venture Capital Investors with more than 300 M€ in assets under management, public funds of EU Member States or those of other OECD member countries, the EIB Group, insurance companies, pension funds, financial institutions.

200M Fund – Eligibility and Selection Criteria: Co-investors

CATEGORY		CRITERIA	SCORE	WEIGHT
Selection	E	Larger round of investment raised by the management team for a company that was or is part of the portfolio	Amount of a round less than 2,5 M€ - 1 Amount of a round equal to or greater than 2,5 M€ and less than 10 M€ - 3 Amount of a round equal to or greater than 10 M€ - 5	20%

Selection		Merit of the Co-investor(s)	Positive Negative	
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200M Fund – Eligibility and Selection Criteria: Beneficiary Companies

CATEGORY	CRITERIA	YES/NO
Eligibility	Fall within the Venture Capital stages: seed, start-up, later stage venture - series A and B (Article 3 (1) of 200M Fund's Management By-Laws)	
Eligibility	Projects of: - Reinforcing capitalization for SMEs to develop new products and services - Innovative projects at process, product, organization or marketing level (P.I. 3.3 – 200M Fund's tender notice)	
Eligibility	Portuguese companies, incorporated or to be incorporated, certified as SMEs (prerequisite to be confirmed by the electronic certificate issued pursuant to Decree-Law No. 372/2007, of 6 November, as amended by Decree-Law No. 143/2009, of 16 June) (Article 7 (1) (a) (k) of 200M Fund's Management By-Laws)	
Eligibility	Have no debts owing to Tax Authorities or Social Security, to be confirmed upon signature of the financing agreement/investment agreement (Article 7 (1) (b) of 200M Fund's Management By-Laws)	
Eligibility	May legally conduct business in mainland Portugal and under the typology of operations and investments for which they are submitting an application (Article 7 (1) (c) of 200M Fund's Management By-Laws)	
Eligibility	Repayments in order as regards financing from European Structural and Investment Funds (when applicable) (Article 7 (1) (e) of 200M Fund's Management By-Laws)	
Eligibility	Have or will have the technical, physical, financial and human resources needed to carry out the operation until the application is approved (Article 7 (1) (d) of 200M Fund's Management By-Laws)	
Eligibility	The shareholders, spouses thereof who are not legally separated, parents and children, or partners in cohabitation, do not hold nor have they ever held more than 50% of the share capital of a company that has not complied with a notification to return funds within the scope of an operation funded by European funds (Article 7 (1) (f) of 200M Fund's Management By-Laws)	

200M Fund – Eligibility and Selection Criteria: Beneficiary Companies

CATEGORY	CRITERIA	YES/NO
Eligibility	Have not been convicted in criminal or administrative proceedings for the violation of child labour laws and those of employment and workplace discrimination, in particular based on gender, disability and on the grounds that a person has a pre-existing aggravated risk to their health, in the three previous years reckoned from the date of the final sentence, save if a longer period results from the penalties imposed as part of the proceedings (Article 7 (1) (g) of 200M Fund's Management By-Laws)	
Eligibility	They keep accounts pursuant to applicable law (Article 7 (1) (h) of 200M Fund's Management By-Laws)	
Eligibility	Declare that the company is not subject to an outstanding recovery order, whether pending or not, following a previous Commission decision declaring an aid illegal and incompatible with the domestic market, pursuant to article 1(4)(a) of Regulation 651/2014, of 16 June (Article 7 (1) (i) of 200M Fund's Management By-Laws)	
Eligibility	Declare that no wages are in arrears (Article 7 (1) (j) of 200M Fund's Management By-Laws)	
Eligibility	Have not closed the same or a similar undertaking in the European Economic Area in the two years prior to the approval of financing from the 200M Fund or, at the time of such approval, have specific plans to close said undertaking within two years, at the most, once the business plan to be financed has been finalised (Article 7 (1) (l) of 200M Fund's Management By-Laws)	
Eligibility	May not be officially listed on a stock exchange, except alternative trading systems (Article 7 (1) (m) of 200M Fund's Management By-Laws)	
Eligibility	Are not deemed “undertakings in difficulty”, as defined by Regulation (EU) No. 651/2014, of 16 June (Article 7 (1) (n) of 200M Fund's Management By-Laws)	

200M Fund – Eligibility and Selection Criteria: Beneficiary Companies

CATEGORY	CRITERIA	YES/NO
Eligibility	<p>Must meet the following requirements (pursuant to the provisions of article 21(5) of Regulation (EU) No. 651/2014 (GBER)):</p> <ul style="list-style-type: none"> - Have not operated in any market; - Have been operating in any market for less than seven years since their first commercial sale; - Require an initial risk finance investment which, based on a business plan prepared with a view to entering a new product or geographical market, exceeds 50% of the average annual turnover of the preceding five years. <p>(Article 7 (1) (o) of 200M Fund's Management By-Laws)</p>	
Eligibility	<p>In case of follow-on investments in eligible companies, even if a company has been operating for more than seven years in any market, it meets the following requirements cumulatively:</p> <ul style="list-style-type: none"> i. The total amount of risk finance of 15 million euros is not exceeded; ii. Follow-on investments are provided for in the original business plan; iii. The company benefiting from follow-on investments is not a linked enterprise, as defined in article 3(3) of Annex I of Regulation (EU) No. 651/2014 (GBER), with another company other than a financial intermediary or the independent private investor providing risk finance under the measure, unless the new company meets the requirements for classification as an SME <p>(Article 7 (1) (p) of 200M Fund's Management By-Laws)</p>	
Eligibility	<p>Compliance with the total minimum private financing in the Beneficiary Companies invested in must be ensured, in particular:</p> <ul style="list-style-type: none"> - 10% of risk finance allocated to companies that have not yet made their first commercial sale in any market; - 40% of risk finance allocated to companies that have been operating in any market for less than seven years since their first commercial sale; - 60% of the risk finance allocated to investments in companies: <ul style="list-style-type: none"> - With an initial risk finance investment which, based on a business plan prepared with a view to entering a new product or geographical market, exceeds 50% of the average annual turnover of the preceding five years, and - for additional investments in eligible companies after a period of seven years has elapsed following their first commercial sale. <p>Investments made by the co-investors shall be deemed private funding.</p> <p>(Article 7 (1) (r) of 200M Fund's Management By-Laws)</p>	

200M Fund – Eligibility and Selection Criteria: Beneficiary Companies

CATEGORY	CRITERIA	YES/NO
Eligibility	<p>Exclusions: Projects that encompass the following activities:</p> <ul style="list-style-type: none"> - Financial services and insurance - classes 64 to 66; - Defence - sub-classes 25402, 30400 and 842200; - Lotteries and other betting games - class 92 <p>(Article 7 (1) (s) of 200M Fund's Management By-Laws)</p>	
Eligibility	<p>Exclusions: investments in projects that lead to restrictions in the rights and freedoms of individuals or which violate human rights shall also be excluded, as well as those that are deemed socially or environmentally unacceptable</p> <p>(Article 7 (1) (t) of 200M Fund's Management By-Laws)</p>	
Eligibility	<p>Exclusions:</p> <ul style="list-style-type: none"> - Projects that include: <ul style="list-style-type: none"> - In the fishery and aquaculture sector, pursuant to Regulation (EU) No. 1379/2013, of 11 December, which establishes the common organisation of the markets in fishery and aquaculture products, which amends Council Regulations (EU) No. 1184/2006 and (EU) No. 1224/2009 and repeals Council Regulation (EU) No. 104/2000; - In the primary agricultural production sector, pursuant to Regulation (EU) No. 651/2014, of 16 June; - In the steel sector, coal sector, shipbuilding sector, synthetic fibres sector, transport sector and related infrastructures and energy generation, distribution and infrastructures, as defined under Regulation (EU) No. 651/2014, of 16 June; - Companies that perform intra-group activities, the main activities of which fall under classes 70.10 "Activities of head offices" or 70.22 "Business and other management consultancy activities" of NACE Rev. 2; - In the processing and marketing of agricultural products provided for in Annex I to the Treaty and forestry products, per the Partnership Agreement within the scope of the distinction between the Cohesion Policy funds and the EAFRD and EMFF, for business investment projects: <ul style="list-style-type: none"> - Implemented on farms (when raw material is sourced primarily from the farm itself), or - Implemented by Producer Organisations, or - With a total investment in an amount equal to or less than 4 million euros. <p>(Article 7 (1) (s) of 200M Fund's Management By-Laws)</p>	

200M Fund – Eligibility and Selection Criteria: Beneficiary Companies

CATEGORY	CRITERIA	YES/NO
Eligibility	<p>Exclusions:</p> <ul style="list-style-type: none"> - Aid contingent upon the use of domestic products over imported products <p>(Article 5 (l) of 200M Fund's Management By-Laws)</p>	
Eligibility	<p>Exclusions:</p> <ul style="list-style-type: none"> - Projects that are physically completed or fully implemented on the date of the investment decision <p>(Article 5 (k) of 200M Fund's Management By-Laws)</p>	
Eligibility	<p>Exclusions:</p> <ul style="list-style-type: none"> - Projects related to exports to third countries or Member States, namely aid directly associated to quantities exported, the establishment and operation of distribution networks or other current costs related to export activities, or investments in fixed assets abroad. <p>(Article 5 (g) of 200M Fund's Management By-Laws)</p>	

200M Fund – Eligibility and Selection Criteria: Beneficiary Companies

CATEGORY		CRITERIA	SCORE	WEIGHT
Selection	A	Investment project inserted in the following sectors of activity: <ul style="list-style-type: none"> • Life Sciences/BioTech; • Information Technologies; • Tourism; • Industry 4.0 Activities 	Projects of the sectors indicated receive a score of 5; Other sectors receive a score of 1	20%
Selection	B	Volume of investment approved by the 200M Fund and by the co-investors to the Beneficiary Companies	Volume of investment less than 5 M€ - 3 Volume of investment equal to or greater than 5 M€ - 5	7.5%
Selection	C	Weight of co-financed private investment (P.I.) as regards the total value of the proposed investment operation	P.I. equal to or greater than 66% of the total operation - 3 P.I. greater than 66% of the total operation - 5	15%
Selection	D	Number of jobs created by the project according to the information included in the Business Plan in answer to the question "Number of jobs to be created by the project and respective annual breakdown"	Up to 5 (inclusive) jobs created - 1 Up to 15 (inclusive) jobs created - 3 More than 15 jobs created - 5	7.5%
Selection	E	Number of partners involved in the Investment operations (incubators, accelerators, other investors), not necessarily shareholders of the Beneficiary Company;	Up to 3 (inclusive) partners involved - 3 More than 3 partners involved - 5	10%

200M Fund – Eligibility and Selection Criteria: Beneficiary Companies

CATEGORY		CRITERIA	SCORE	WEIGHT
Selection	F	Expected internal rate of return (IRR)	IRR less than 10% - 1 IRR equal to or greater than 10% and less than 20% - 3 IRR equal to or greater than 20% - 5	10%
Selection	G	ARR (Annual Recurring Revenue) of the last peak year	ARR less than €300,000 - 1 ARR equal to or greater than €300,000 and less than €600,000 - 3 ARR equal to or greater than €600,000 - 5	10%

200M Fund – Eligibility and Selection Criteria: Beneficiary Companies

CATEGORY		CRITERIA	SCORE	WEIGHT
Selection	H	Investment projects inserted in the following regional priorities:	<p>Projects that are not inserted in at least one of the priority areas of the Region in which they are investing - 1</p> <p>Projects that encompass more than one Region and are only inserted in the priority areas of one of the Regions - 3</p> <p>Projects inserted in at least one of the priority areas of the Region in which they are investing - 5</p>	20%
		<p>North of the Country:</p> <ul style="list-style-type: none"> - Human Capital and Specialised Services; - Symbolic Capital, Technologies and Tourism Services; - Life Sciences and Health; - Culture, Creation and Fashion; - Environment and Mobility Industry; - Ocean Resources and Economy; - Agricultural and Environmental Systems and Food; - Advanced Production Systems 		
		<p>Central Region:</p> <ul style="list-style-type: none"> - Sustainable Industrial Solution; - Enhancement and efficient use of natural resources; - Technologies to improve quality of life - Territorial Innovation 		
		<p>The Alentejo Region:</p> <ul style="list-style-type: none"> - Food and Forestry; - Mineral, Natural and Environmental Resources; - Heritage, Cultural and Creative Industries and Tourism Services; - Critical technologies, Energy and Smart Mobility; - Specialised Services and Technologies for the Social Economy 		
		<p>Lisbon:</p> <ul style="list-style-type: none"> - Supporting Development and Testing Innovative Solutions; - Aeronautics, Space and Defence; - Support Services; - Technologies; - Education / Capacity building - Creative Resources and Cultural Industries; - Cultural Production and Laboratory; - Education / Capacity building - Research, Technology and Health Services; - Research; - Knowledge Transformation; - Industry. 		

200M Fund – Eligibility and Selection Criteria: Beneficiary Companies

CATEGORY		CRITERIA	SCORE	WEIGHT
Selection	H	(continued)	<p>Projects that are not inserted in at least one of the priority areas of the Region in which they are investing - 1</p> <p>Projects that encompass more than one Region and are only inserted in the priority areas of one of the Regions - 3</p> <p>Projects inserted in at least one of the priority areas of the Region in which they are investing - 5</p>	20%
		<p>Lisbon:</p> <ul style="list-style-type: none"> - Services - Cross-cutting Areas; - Knowledge and Knowledge Transformation; - Marine Resources and the Seafood Sector - New Uses and Ocean Resources 		
		<p>The Algarve:</p> <ul style="list-style-type: none"> - Tourism; - The Sea; - Agrifood, Agri-processing, Forestry and Green BioTech; - Renewable Energies; - Health, Wellness and Life Sciences; - ICT and Creative Industries and Creative Culture 		

Selection		Merit of the Beneficiary/Investment Project	<p>Positive</p> <p>Negative</p>	
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