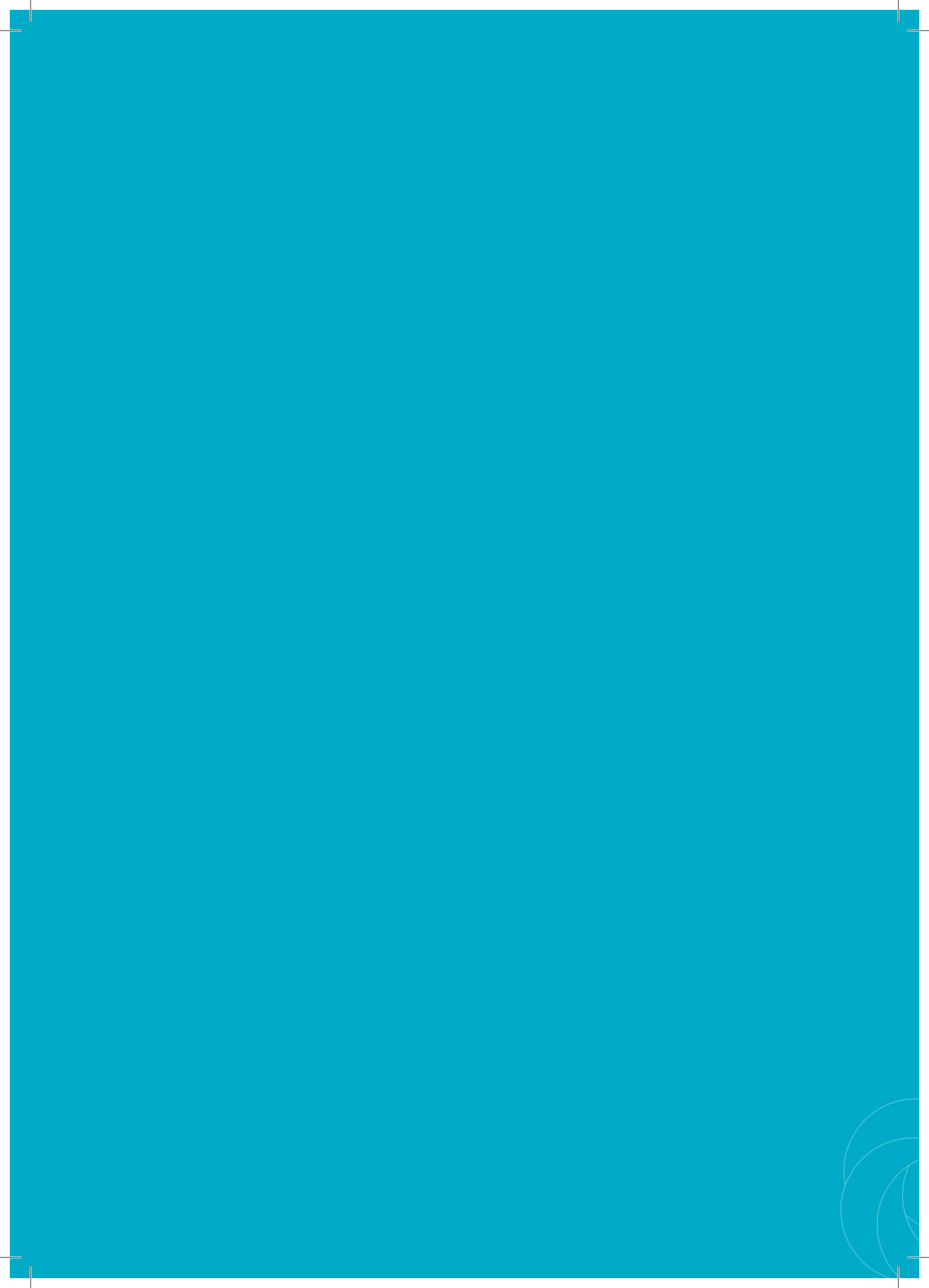




CORPORATE VENTURE in BRASIL

About Corporate
Venture in Brasil &
Industry Information



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The Brazilian Trade and Investment Promotion Agency (Apex-Brasil) works to promote Brazilian products and services abroad, and to attract foreign direct investments to strategic sectors of the Brazilian economy.

The Agency focuses on foreign companies and projects that offer technological innovation and new business models, strengthen industrial supply chains, have a direct impact on national job creation or improve the volume and diversity of Brazilian exports.

Apex-Brasil has assisted investors and industries from numerous countries in setting up new facilities, playing a key role in directing investments to Brazil. The Agency identifies opportunities for investment in several sectors and presents these opportunities to investors around the world.

Moreover, Apex-Brasil also assists capital investors – limited partners (LPs), such as sovereign funds, corporates, family offices, angel investors, GPs, university endowments and others – in finding profitable investment opportunities in partnership with local investment funds – General Partners (GPs) – or through government concession programs, companies and startups.

The goal is to bring investments to Brazilian companies in order to strengthen their competitiveness, by improving their management capabilities, expansion programs, innovation processes and exports. Apex-Brasil promotes investment rounds with foreign venture capital funds and Brazilian companies and startups, as a strategy to foster development and innovation in the country. The Agency has successfully supported several investors in committing almost US\$ 10 billion to the country, and hundreds of companies through its promotional and matchmaking agenda.

Site: www.apexbrasil.com.br

Address

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CEP 70040-020 Phone: +55 61 3426-0202

For any enquiries considering Corporate Venture in Brasil,
please mail to: vcpe@apexbrasil.com.br



ABOUT CORPORATE VENTURE IN BRASIL

The Brazilian Trade and Investment Promotion Agency (Apex-Brasil) works to promote Brazilian products and services abroad, and to attract foreign direct investments to strategic sectors of the Brazilian economy. The Agency focuses on foreign companies and projects that offer technological innovation and new business models, strengthen industrial supply chains, have a direct impact on national job creation or improve the volume and diversity of Brazilian exports. Apex-Brasil assists financial investors – limited partners (LPs), such as sovereign funds, corporates, family offices, angel investors, GPs, etc. The primary focus is to identify profitable investment opportunities in partnership with local funds – General Partners (GPs) - or through government concession programs, companies and startups.

The goal is to bring investments to Brazilian companies and strengthen their competitiveness, by improving their management capabilities, expansion programs, innovation processes and exports. Apex-Brasil promotes investment rounds with foreign venture capital funds and Brazilian companies and startups, as a strategy to foster development and innovation in the country. Since 2009, the Agency has successfully supported several investors in committing almost US\$ 12 billion to the country, and hundreds of companies through its promotional and matchmaking agenda.

Corporate Venture in Brasil is an endeavor from the Brazilian Trade and Investment Promotion Agency, to support the expansion of global venturing units' to Brazil. This not to mention the development of corporate venturing programs of Brazilian subsidiaries. We understand that quality networking and engaging activities are key steps to connect international investors with local partners. The strong partnerships with Global Corporate Venturing and the Brazilian Private Equity & Venture Capital Association has already facilitated hundreds of private meetings for more than 40 international Corporates with local funds, accelerators and companies that have been hosted by us.

Now we are improving our deal flow screening methods to add more value and turn the Corporate's experience better. The first results are showing and the recent local regulatory updates friendly support new commitments to the country. In the following sections of this brochure, you will find information about the Brazilian economics, the local investment and innovation ecosystem including VCs, Entrepreneurs and Tech Parks details. We hope that such content can provide some insights about the booming entrepreneurial and innovation activity in the country.

HOW APEX-BRASIL AND ITS PARTNERS CAN ASSIST YOU?

Corporate Venture in Brasil event was the first activity of a program to stimulate the Brazilian investment and innovation ecosystem to embrace and discuss the corporate venturing culture. Apex-Brasil will promote a yearly edition, so that international corporations can visit the country and access dedicated quality content and networking. In addition, aiming to provide Corporates with tools and channels to understand the market and interact with different players, Apex-Brasil and its partners have joined efforts to assist corporates wondering whether Brazil can be a quality source of technology and deal flow regarding their innovation needs.





HOW IT WORKS?

Apex-Brasil understands that decisions are built progressively, and not every corporate investor/partner is fully knowledgeable about the Brazilian market. Considering this, most services are free of cost, short-term and operate on an online basis. On the contrary, services that are more complex will require site visits to Brazil, sponsorships to happen and achieve the expected results. Please check some ideas on how the Agency can help:

PRIVATE EQUITY & VENTURE CAPITAL IN BRAZIL PROGRAM - CONNECTION TO BRAZILIAN VCS:

In partnership with the Brazilian Private Equity & Venture Capital Association – ABVCAP, we are ready to introduce local VCs fundraising and divesting portfolio companies to international corporates open to commit capital to funds, or to partner with Brazilian venture capitalists. This can also happen during our promotional agenda in the US and Europe.

DEAL FLOW SCREENING:

If agreed, we are ready to screen constant deal flow and periodically share our selected portfolio of companies fundraising in different sectors. Apex-Brasil investment team is also available to organize on-demand investment and market prospection private agendas in Brazil. For that purpose, the corporations must share information on what sort of innovation and investment criteria they seek.

SUPPORT IN ARRANGING BUSINESS MEETINGS

At any time, Apex-Brasil can assist corporate delegations in building a business schedule in the country as well as facilitate networking with public and private stakeholders at federal, state and municipal levels.

For more information or details on the kind of cooperation your Corporation would like to present and discuss with Apex-Brasil, please mail us to: vcpe@apexbrasil.com.br and our team will gladly reply.

BRAZIL: FUNDAMENTALS

1.1. HIGHLIGHTS

- 1.779 USD trillion GDP (2016), and an average GDP growth rate of 2.6% since 2000
- Urbanization rate of 86%
- 207.9 million people; median age 29 years old
- Around 70% of the population at working age
- Among the top 10 largest world economies, and the largest in Latin America
- Among the top 10 recipients of FDI in the world, having received over USD 560bn in the last 7 years
- Structuring Reforms: ceiling expenses, labor, social security and tax
- Microeconomic Reforms: sector regulation – efficiency, fiscal control and banking spread reduction
- Medium-high income for emerging markets' standards – such as India, China, Colombia and Turkey
- No religious or ethnic tensions
- Stable democracy and solid institutions

Sources: BACEN, Ministry of Finances, IBGE, UNCTAD -WIR 2017.

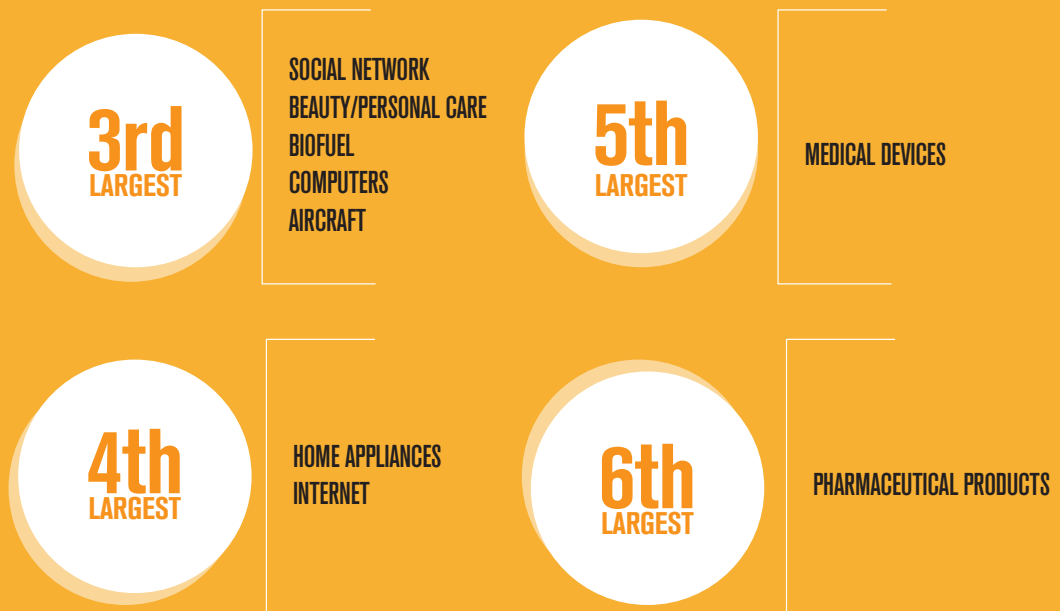
1.2. BRAZILIAN ECONOMY IS BETTER IN 2017 COMPARED TO 2016

INDEX	PERIOD	2016	2017	VARIATION
GDP (SEASONALLY ADJUSTED)	1ST QUARTER	-1.01%	1.05%	2.06 pp
CONSUMER PRICE INDEX (IPCA)	JULY (ACCUM. 12 MONTHS)	8.79%	2.09%	-6.70 pp
JOBS POST VARIATION	JUNE (YEAR-TO-DATE)	-531.765	67.358	+599.123
INTEREST RATE (ANNUAL)	AUGUST	14.25%	9.25%	-5.00 pp
COUNTRY RISK (EMBI+)	JULY	340	276	-18.82%

Source: Ministry of Finances, 2017.

1.3. GLOBAL RANKING

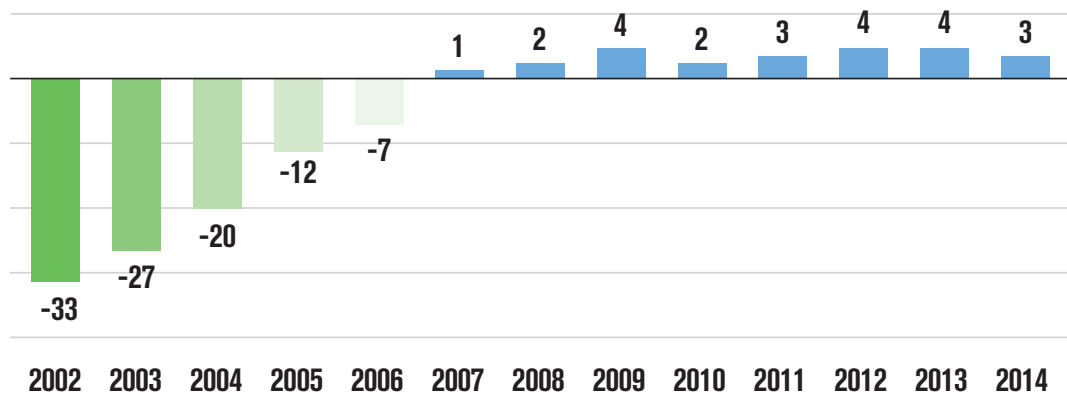
Brazil is the world's fifth largest consumer market and recipient of net FDI.
It also is the:



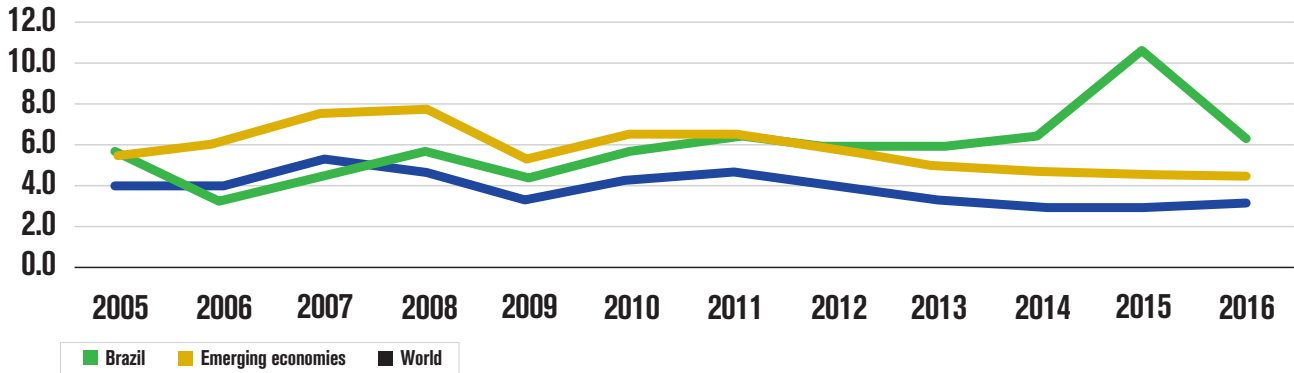
A MACRO OVERVIEW

2.1. ECONOMY

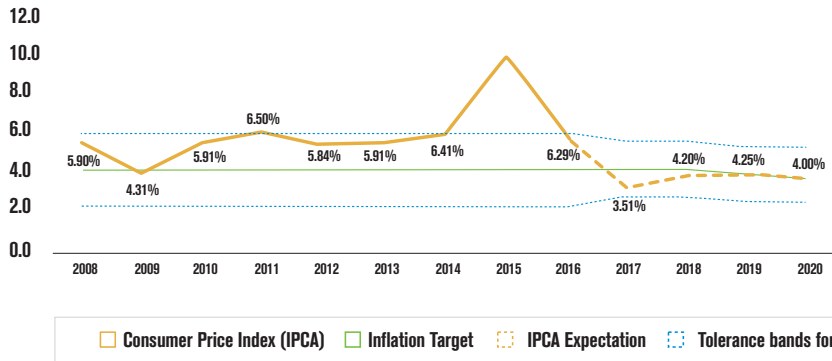
NET EXTERNAL CREDIT POSITION (% OF GDP)



**GLOBAL & EMERGING MARKETS -
CPI INFLATION COMPARED (% PER ANNUM)**

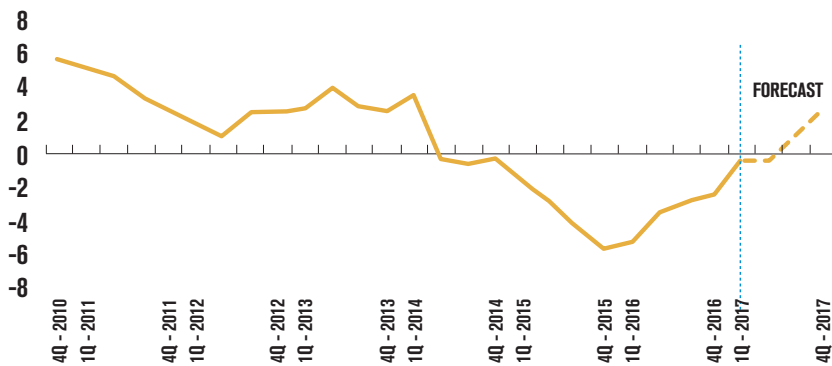


**BRAZILIAN INFLATION IN DEPTH -
EXPECTATIONS HAVE BEEN RESET**



**Jul - 2017 - 12 months
IPCA:
+2,71%**
Projections for 2017-2020:
Brazilian Central Bank/ Focus

**2017 GDP FORECAST AT 0.5%, BUT MARGINAL GDP
IS MUCH LARGER**



**4Q/2017 VERSUS 3Q/2016
= 2.7%**
**4Q/2017 VERSUS 3Q/2017
= 3.2%**

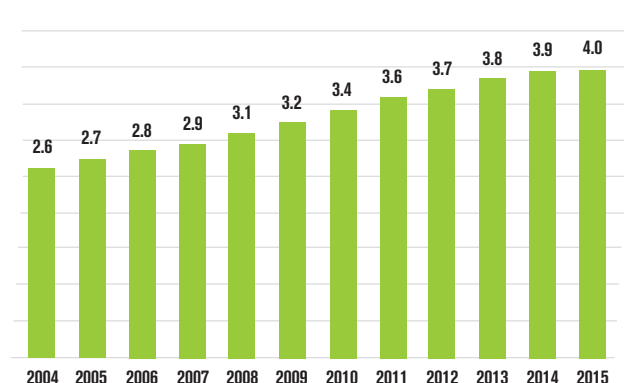
Source: IMF, Central Bank of Brazil, The Economist Intelligence Unit (EIU)*
Forecasts, Finance Ministry, IBGE.

FDI FLOWS IN 2016

#	Country	US\$ Million	%
1	United States	391,104	22%
2	United Kingdom	253,826	15%
3	China	133,700	8%
4	Hong Kong, China	108,126	6%
5	Netherlands	91,956	5%
6	Singapore	61,597	4%
7	British Virgin Islands	59,097	3%
8	Brazil	58,680	3%
9	Australia	48,190	3%
10	Cayman Islands	44,968	3%
	Other	495,181	28%
	Total	1,746,423	100%

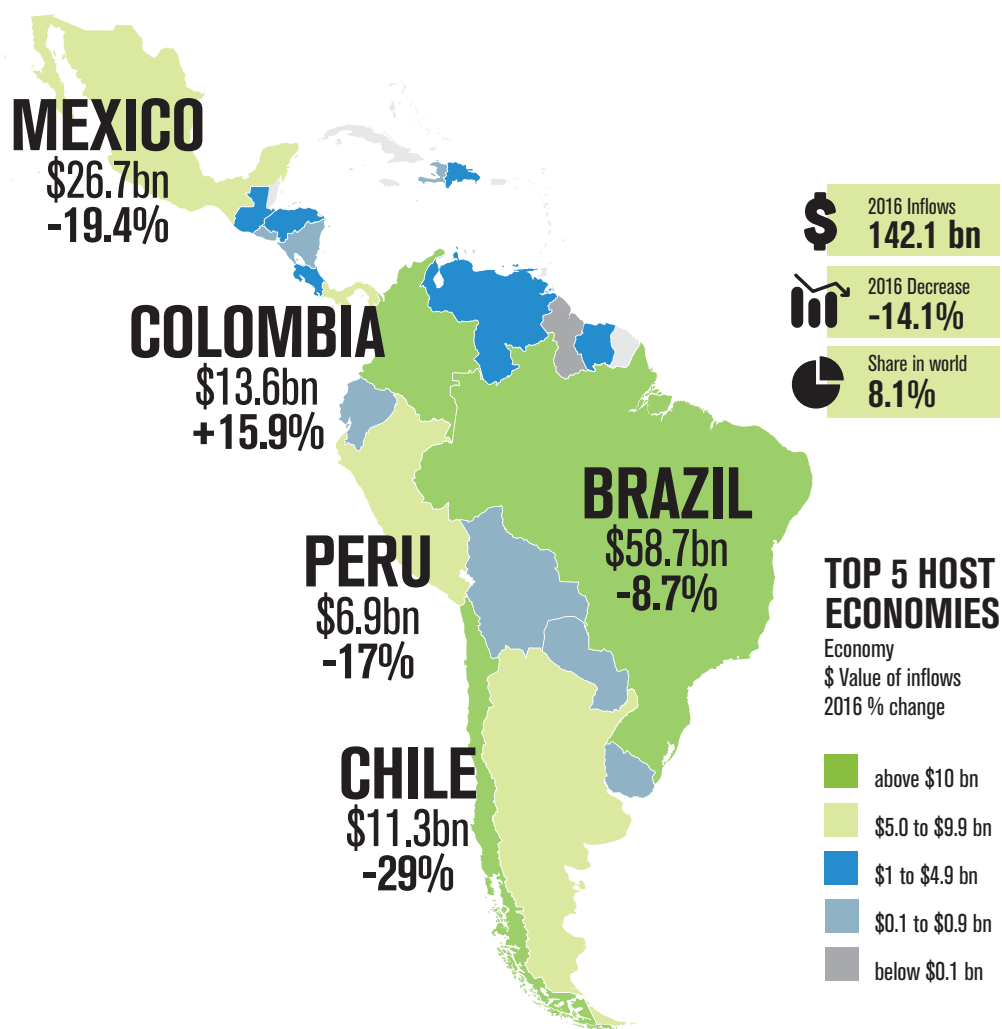
Source: UNCTAD Stat

NUMBER OF COMPANIES IN BRAZIL (MILLION)



Source: IBGE

FDI FLOWS IN LATIN AMERICA & CARIBBEAN 2014-2016 (BILLIONS OF US\$)

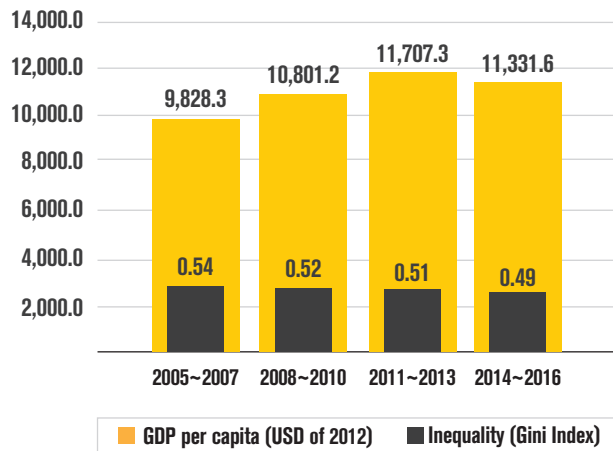


Source: UNCTAD – World Investment Report 2017

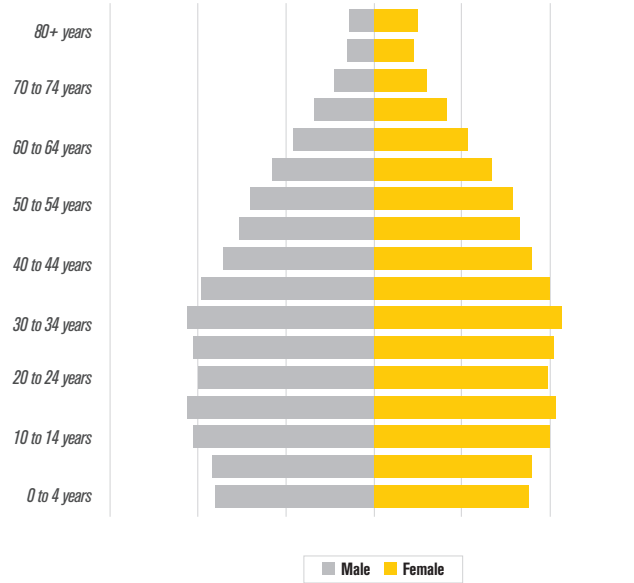
2.2. SOCIAL

Poverty reduction and lower income inequality.

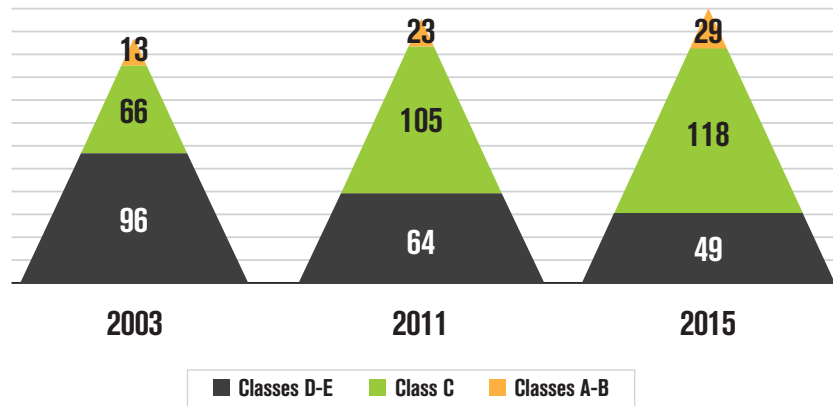
GDP PER CAPITA X INCOME INEQUALITY (GINI INDEX)



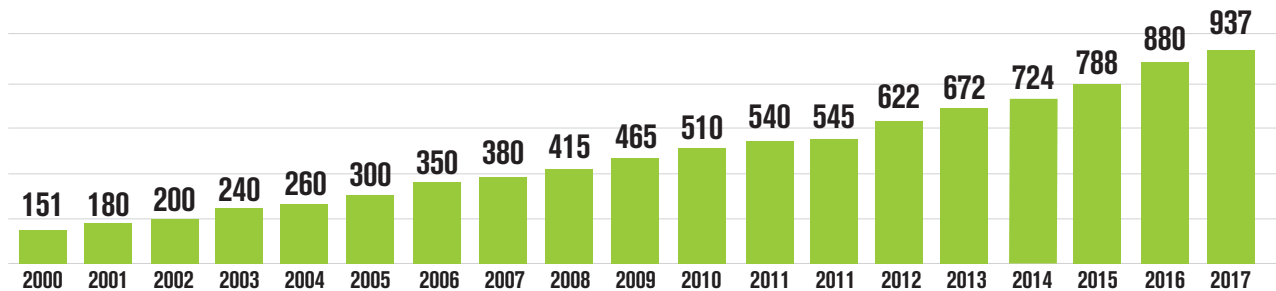
POPULATION DISTRIBUTION BY AGE COHORTS (% OF TOTAL; 2015)



EVOLUTION OS SOCIAL CLASSES IN BRAZIL (MILLION PEOPLE)



GROWTH OF MINIMUM WAGE (R\$)



Source: IPEA, IBGE, Presidential Chief of Staff of the Brazilian Republic (Casa Civil) – 2017.

A SOLID REGULATION ENVIRONMENT

The Latin America Private Equity & Venture Capital Association (LAVCA) publishes a yearly scorecard, which aims to evaluate ongoing regulatory changes that foster a stable climate for investment in the region. For 2017/2018, Brazil has ranked second, just behind Chile. Considering the performance in the past three years, Latin American countries decreased their score, while Brazil kept the same one.

- **Equal treatment of foreign and national capital***
- **Consolidated banking systems regulation since 1964**
- **Corporate governance practices and transparency requirements**
- **Solid Regulatory agency CVM (Brazilian SEC)**

Sources: LAVCA – Latin America Private Equity & Venture Capital Association, ABVCAP – Brazilian Private Equity & Venture Capital Association.



2017/2018 Scorecard	Argentina	Brazil	Chile	Colombia	Costa Rica	Dominican Republic	Jamaica	Mexico	Panama	Peru	Uruguay	Israel	Spain	UK
Overall Score	51	69	71	64	58	42	51	67	51	54	61	86	78	96
Laws on PE/VC fund formation and operation	1	4	3	3	2	2	2	3	2	2	2	4	4	4
Tax Treatment of PE/VC funds & investments	2	3	2	2	3	1	2	2	2	1	3	3	4	4
Protection of minority shareholder rights	2	3	3	3	2	2	2	3	2	2	2	4	3	4
Restrictions on local institutional investors investing in PE/VC	1	2	2	3	1	1	2	3	2	3	2	4	3	4
Protection of intellectual property rights	2	2	3	2	3	1	2	2	2	2	3	3	3	4
Bankruptcy procedures/ creditors rights/ partner liability	2	3	3	3	2	1	2	3	2	2	3	2	3	3
Capital Markets development and feasibility of exits	2	3	3	2	2	1	2	3	2	2	2	3	3	4
Registration/ Reserve requirements on inward investments	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Corporate Governance Requirements	2	3	3	3	2	3	2	3	2	3	2	4	3	4
Strength of the judicial system	2	2	3	2	3	1	2	2	2	1	3	4	2	4
Perceived corruption	2	1	3	1	3	1	1	1	1	1	3	3	3	4
Quality of local accounting/use of international standards	4	4	4	3	4	3	3	3	3	4	3	4	4	4
Entrepreneurship	3	3	3	3	2	2	2	3	2	2	2	3	2	3

* with some restrictions to nuclear energy, rural property, domestic aviation, mail and media.

NOTABLE SECTORS: AGRIBUSINESS & AGRITECH



José Tomé

*Chief Ecosystem Officer
Agtech Garage*

AGTECH ECOSYSTEM IN BRAZIL

It is no coincidence that agribusiness has become a choice for new entrepreneurs. We are at the beginning of the digital transformation of the sector, which is responsible for sustaining the country's economy, representing almost a quarter of GDP and 43.5% of the total value of exports. Agribusiness also goes through a favorable moment by reaching, in 2017, a record harvest of 232 million tons of grains produced, according to data from Conab. The opportunities are easily noticeable, since we are in a moment of transition between the first (ferment) and second (takeoff) stage of the technological life cycle, when we think about the famous s-curve of technological innovation within the context of digital agriculture, which means little technology effort associated with big jumps in productivity [1]. We begin to see cases such as, for example, seed application in an intelligent way, based on data from sensors that monitor its quality in real time, generating 15% savings [2]. These innovations will occur more and more rapidly, since large traditional companies in the sector established bold goals to significantly increase the revenue from digital products. Imagine that a large input company, in the language of startups, "pivots" to reach a third of its revenue from digital products by 2020. No doubt a revolution is underway. How these goals will be achieved is also changing. The different open innovation practices that entered on the agenda of large companies, a few years ago, are now converging almost entirely to interaction with startups. It is a real "tipping point," a point in time in which a group – or a large number of members of the group – changes quickly and dramatically its behavior to widely adopt a practice previously rare. As a result, the number of initiatives to bring startups and corporations closer of each other is considerably increasing, such as acceleration programs, coworkings like innovation hubs, and vertical and corporate investment funds involving companies such as Algar, Basf, Raízen and Monsanto. These, just to mention just the most recent cases in Brazil. And producers are also aware of this. Several initiatives emerged within a year, outstanding the AgriHub in Cuiabá, MT, Brazil, to directly connect

startups with producers on a regular and structured basis. In that same period in Piracicaba, SP, Brazil, the AgTech Valley movement started, which in an organic way involves entrepreneurs, academy, investors, and corporations to generate consciousness (awareness) about the opportunities in the AgTech Brazilian entrepreneurship ecosystem. Having the ESALQ-USP as a center of knowledge and talent training – which is listed among the world's TOP 5 Agriculture Universities [3], the movement grew and certainly represents the region with a greater density of actors involved with entrepreneurship and AgTech innovation in Brazil. All of these initiatives considerably impact the dynamics of the innovation ecosystem and startups, greatly contributing to its maturation. However, it is clear that the ecosystem is still in its infancy, or rather, following the Startup Genome framework [4]; we are in the "Activation" phase of the ecosystem life cycle. Seventy-five (75) startups participated in the first Census AgTech Startups Brazil [5], published in December 2016 by ESALQ and AgTech Garage. In 21% of cases, the idea to create the startup was born in academia, other 21% indicated that the idea that originated AgTech was born where some of the founders worked. The startup was born by a demand of consumers in 15% of cases. The main areas of practice are Decision-Support Technologies (56%) and Software for Management (50%). Regarding the teams, 88% of them are formed by entrepreneurs with relevant technical expertise in the area of operation; 95% believe that they can reach the foreign market, but the majority (80%) has difficulties in attracting investment, mainly because of being in the early stages of development. Based on the context presented and the complexity to gain scale with a diversity of producer profiles spread over large territorial extensions, it is possible to imagine that the maturity of this ecosystem will happen in a unique way, with active participation of corporate ventures, which can be definitive for the perpetuity of large companies and also good opportunities in the short term, especially for seed-capital funds.

BRAZILIAN AGRIBUSINESS

With modern, efficient and competitive agriculture, Brazil has become one of the largest agricultural producers and exporters in the world over the last two decades. Productivity gains, management efficiency, research, innovation and technological development have revolutionized the country's agribusiness sector.



Source: MAPA – Ministry of Agriculture, Livestock and Food Supply, 2016

FOOD SECURITY

Brazil has a suitable environment and conditions to increase its food production, combining the largest availability of fresh water on the planet and one of the largest arable land areas in the world, with 388 million hectares of fertile and productive land — 90 million of which are not cultivated.

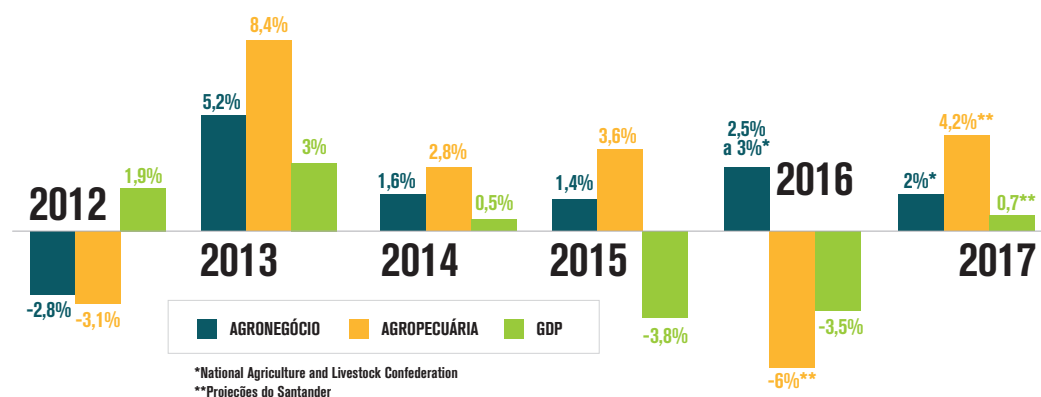
According to the Food and Agriculture Organization of the United Nations (FAO), the world population is expected to grow by more than a third, or by 2.3 billion, between 2009 and 2050, reaching around 9.5 billion people and posing some tough challenges with regards to food supply.

Brazil is one of the few countries still capable of increasing its planted area, as it has 115 million hectares in available land according to the Brazilian Agricultural Research Corporation (EMBRAPA).

Large portions of the cerrado (savannah or prairie region) are still available for cultivation, leaving considerable room for growth for the country's commercial agriculture sector.

Attempts are underway to increase land use. For instance, areas planted in soy, the single largest agricultural product in Brazil, are expected to reach 41.2 million hectares by 2025, up from 31.5 million in 2015 according to estimates by the Brazilian Institute of Geography and Statistics (IBGE). Since 2000, when it was the 11th largest agricultural exporter, Brazil has come a long way: it is now the second-highest exporter of food (behind the United States) and has the third-highest volume in credit to agriculture, according to the 2015 data by the FAO.

AGRIBUSINESS PERFORMANCE/YEARLY GROWTH



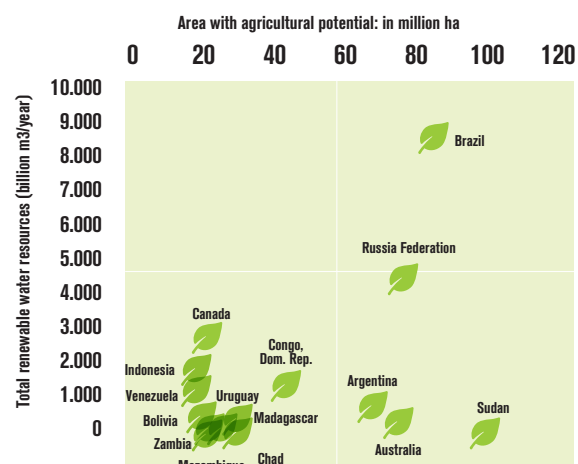
Fontes: Santander and CNA

LABOUR FORCE



Source: Cepea/Esalq.

AVAILABILITY OF LAND FOR AGRICULTURAL USE AND RENEWABLE WATER RESOURCES



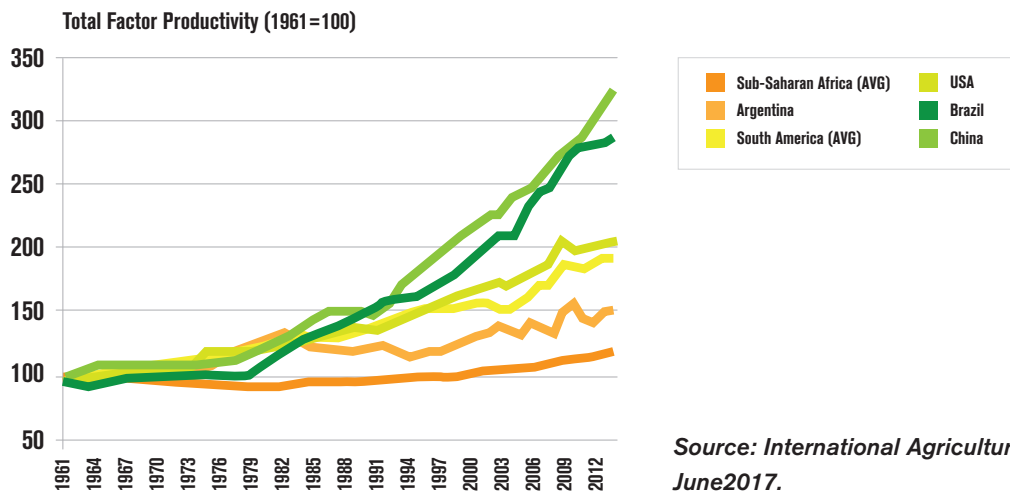
Source: Deininger et al. (2011) bases in IIASA data; FAO Aquastat

BRAZIL'S AGRICULTURAL PRODUCTIVITY

Brazil's TFP growth has accelerated at one of the world's fastest rates over the last decades. Over the past 50 years, productivity growth in agriculture has allowed food to become more abundant and cheaper.

The most informative measure of agricultural productivity is total factor productivity (TFP). TFP takes into account all of the land, labor, capital, and material resources employed in farm production and compares them with the total amount of crop and livestock output.

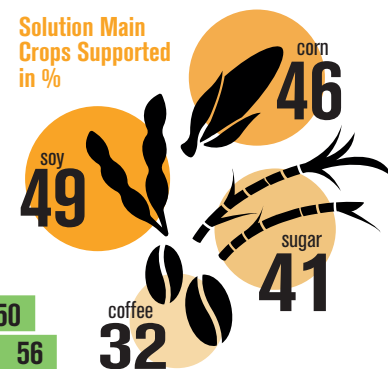
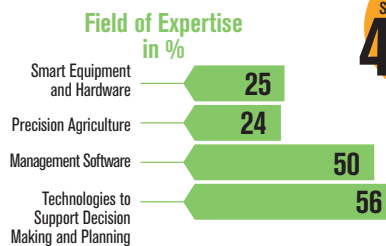
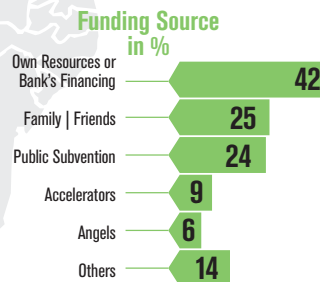
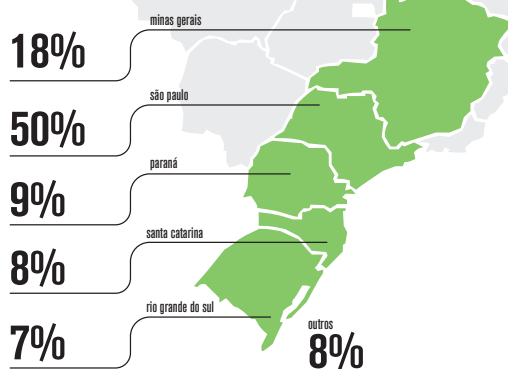
TOTAL FACTOR PRODUCTIVITY FOR SELECTED COUNTRIES AND REGIONS



AGTECH STARTUPS BRASIL CENSUS

Brazil now has an Agribusiness Startups Census: starting with reference year 2016, the first Brazilian agribusiness startups census has been conducted under the auspices of Esalq/USP and AgTech Garage. The companies are small – 44% have four to five employees, mostly aged 31 to 40 years. Over half, or 55.4%, still don't generate revenue, while 18.9% earn up to R\$50,000 a year, 12.2% earn over R\$300,000.

AGRITECH STARTUPS IN BRAZIL SECTORIAL OVERVIEW SELECTED COUNTRIES AND REGIONS



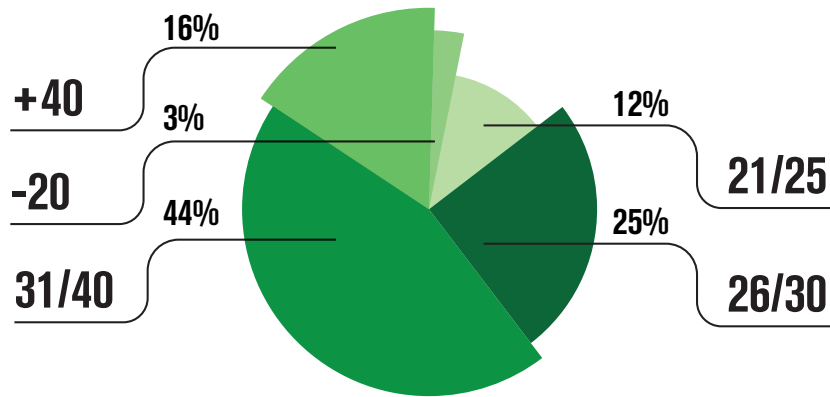
Source: Censo de Startups Agrícolas, EsalqTec



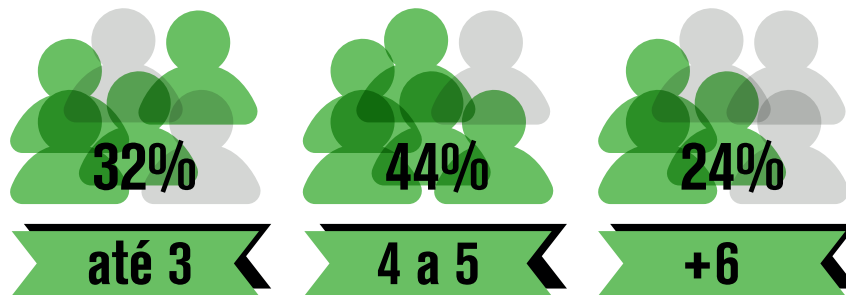
75 Respondent Startups



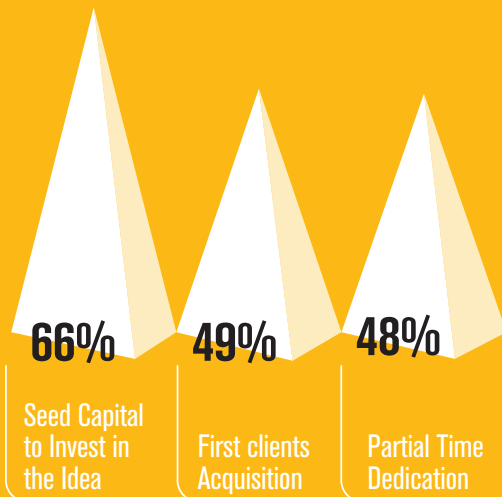
AVERAGE AGE OF THE FOUNDERS



TEAM NUMBER WORKING IN THE STARTUP

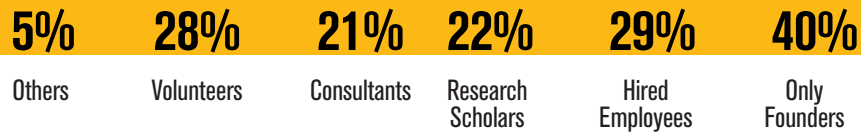


MAIN CHALLENGES



Source: ESALQ, Agtech Garage - 2017

**TYPE OF PROFESSIONALS
THAT WORK IN THE
STARTUPS.**

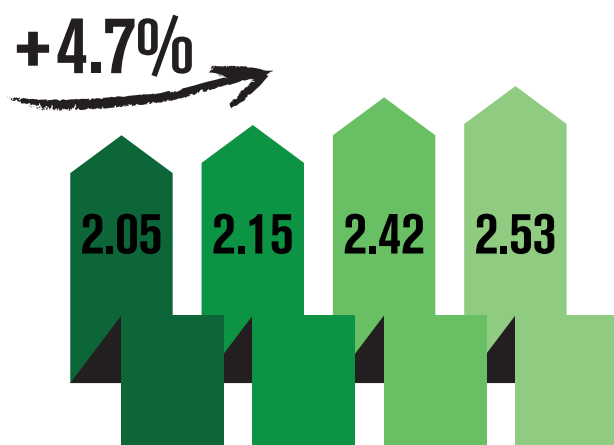


NOTABLE SECTOR: AUTOMOTIVE / AUTOTECH & MOBILITY

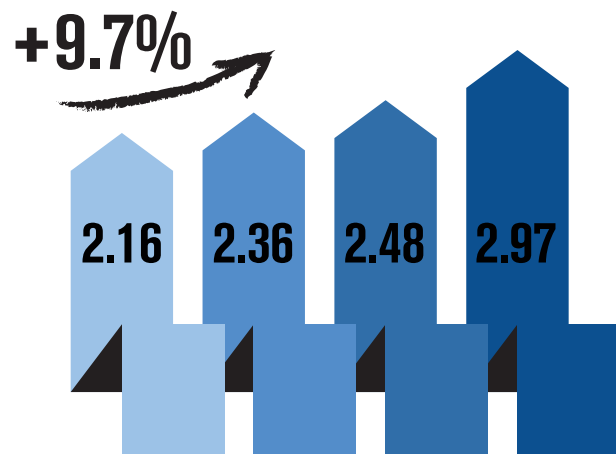
- Brazil's automotive sector accounts for 22% of the country's industrial GDP and 1.3 million jobs in the productive chain;
- Investments from OEMs in progress, from 2013 to 2024, around US\$ 13 billion;
- 31 Automakers, with 62 production units;
- 10th largest producer in the world, 8th largest market (2016)

Respondent

PRODUCTION FORECAST (MI UNITS)



SALES FORECAST (MI UNITS)



Source: Anfavea - 2017

- **Automotive sector presents the 3rd largest innovation in products and process rate (70%);**
- **OEM expenditures in the country currently account for 3.46% of net revenues. Brazil's average expenditure in R&D in all industries is 1.3%;**

Source: PiNTEC 2014

RECENTLY ANNOUNCED AUTOMOTIVE R&D CENTERS AND LABORATORIES

COMPANY	PURPOSE	PARTNERS	STATE
FCA	Development of software for control of engines and transmissions	Projects with Porto Digital and the Federal University of Pernambuco	Pernambuco
Scania	Study of air flows in diesel engines and reduction of fuel consumption and emissions	Partnership with University of São Paulo (USP) and the Technology Park of Sorocaba	São Paulo
Hyundai	Efficiency of the flex fuel system	Internal R&D center	São Paulo
Toyota	Emission tests, improvements in models, development of accessories, etc.	Internal R&D center	São Paulo
Peugeot	Development of internal combustion engines for biofuels	FAPESP, University of São Paulo, University of Campinas, Aeronautics Institute of Technology and Instituto Maúa de Tecnologia	São Paulo

Source: Apex-Brasil, non-exhaustive screening.

ABOUT THE AUTOTECH LANDSCAPE IN BRAZIL

Brazil is a country of continental dimensions, which travels through roads and streets. Road transport accounts for over 60% of the cargoes transported in the country, bus transport is the main public transport used by the population, and the number of cars has nearly doubled in the last ten years. Brazilian people are passionate about cars.

This landscape is propitious for the emergence of AutoTechs – startups that work directly or indirectly with the development and supply of products and services related to automotive technologies, mobility, transportation, and logistics. These prospects were presented by the Liga Insights AutoTech study, which evaluated more than 5,400 Brazilian startups from different areas of expertise to detect the 193 startups that are revolutionizing this market, comprising vehicle production line, sale, and maintenance and freight and passenger transport.

The landscape of AutoTech startups in Brazil presents a growing ecosystem: 51% of the startups listed have been founded since 2015. Of the total startups of the sector, almost 80% are concentrated in the Southeast (61%) and South (17%) of the country. The areas of Logistics and Mobility have attained greater prominence and attracted greater attention of venture capital funds in Brazil – as well as corporate investments of players such as Movile, Qualcomm Ventures, and InovaBra (Bradesco). Large companies of the sector are also engaging with startups: Mercedes-Benz, Eaton, Ticket Log, Sascar and Webmotors joined the Liga Ventures to accelerate startups in the Liga AutoTech program.

LOGISTICS AND TRANSPORT

According to data from CNT, the cost with logistics in Brazil is R\$ 749 billion, equivalent to 12.7% of the country's GDP. In this context of high costs and much room for efficiency improvement in logistic processes, a window of opportunity is open in fronts such as Trucking and Last-Mile Delivery, with solutions that decentralize logistic costs, diversify options for response to demand, and expands network capacity and outreach through concepts such as vehicle sharing and free-lance networks.

In the country, there are over 1 million free-lance truck drivers. TruckPad – a startup in which Movile invests – is a platform that connects truck drivers to freights; a sort of “Uber for truckers.” The startup has already surpassed 500,000 downloads of its application and 200,000 truck drivers registered in its database.

Another highlight in the sector is CargoX, which by using technology to work as a highly scalable carrier has raised US\$ 15 million from investors such as Valor Capital and Goldman Sachs.

The advancement of e-commerce, which grows more than 12% per year and surpasses 200 million online orders in Brazil, and the possibility of providing delivery services by the different types of retailers – both small and large ones - boosted the Last-Mile Delivery sector. Mandaê, a startup that provides delivery solutions for small and medium-sized retailers, achieved rapid growth since its foundation and raised about US\$ 5 million from investors such as Qualcomm Ventures, Monashees, and Valor Capital.

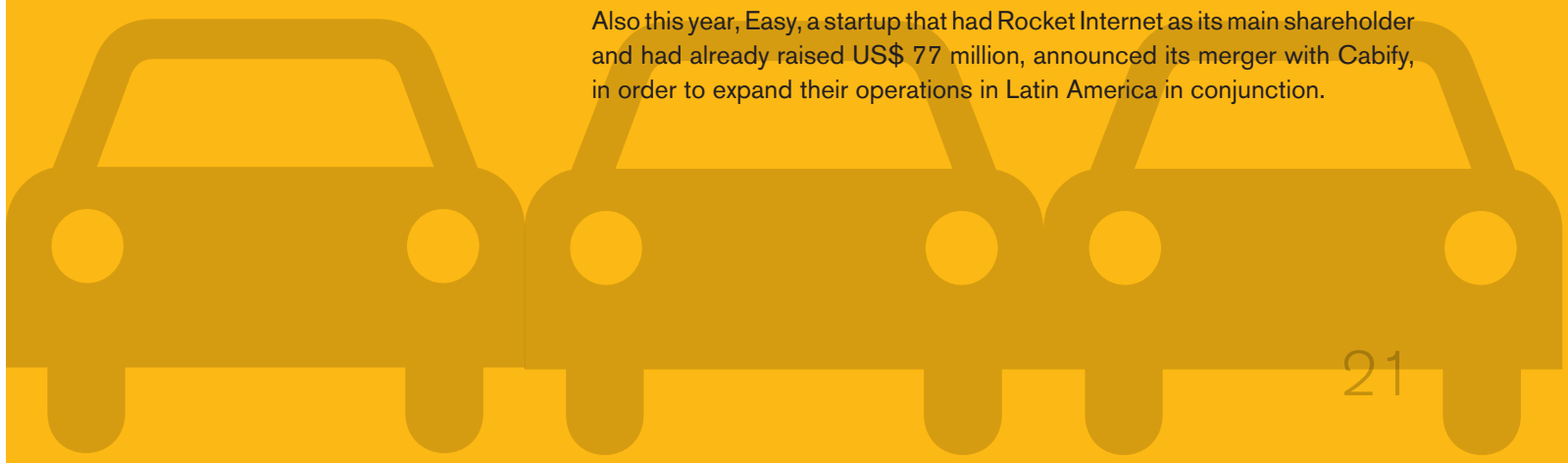
Another highlight in the Last-Mile sector is Loggi, urban express delivery platform with motorcycles that operate in the major metropolitan regions of Brazil, and conducts about 600,000 deliveries per month, having raised about US\$ 27 million from investors such as Qualcomm Ventures, Monashees, Kaszek Ventures, and Koolen & Partners. Its main competitor is Rapiddo. This startup, created by Movile, benefits from the synergy with another company of the group to increase its user base: iFood, a leading app in food orders.

MOBILITY

It is estimated that in eight Brazilian state capitals people spend more than two hours commuting between home and work. The cost of traffic congestion in Brazil is about R\$ 232 billion, equivalent to 2.7% of the GDP, and public transport is not made available with adequate quality to the entire population.

This context provides good opportunities for startups that help improve mobility – especially car-hailing platforms. São Paulo is currently the largest city in the world in number of Uber trips, even with strong competition from Brazilian startups. This year, 99 rose US\$ 200 million in two rounds to expand its international operation - the first led by Didi Chuxing and the second by SoftBank. The investors joined other funds such as Qualcomm Ventures, Monashees, and Tiger Global, which had already contributed to the startup.

Also this year, Easy, a startup that had Rocket Internet as its main shareholder and had already raised US\$ 77 million, announced its merger with Cabify, in order to expand their operations in Latin America in conjunction.



MAINTENANCE OF VEHICLES AND SALES CHANNEL

The poor results of the country's economy in recent years have resulted in ageing in the country's vehicle fleet. Currently, for each new car sold in Brazil, six used cars are sold. Startups with solutions for used vehicle maintenance and buying and selling channels have benefited from this context.

This is the case of Instacarro, a Brazilian startup that enable users to sell their used cars in 1 hour, through an online auction with over 1,500 dealers. The startup handled over R\$ 100 million with sales of vehicles in 2016 and raised more than US\$ 10 million from investors such as FJ Labs, Lumia Capital, Hummingbird, and Global Founders Capital.

For the maintenance part, Easy Carros is an automotive maintenance and services marketplace present in more than 30 cities in Brazil and has been voted one of the most innovative startups in the G-Startup WorldWide. The startup has shown great growth in the B2B market providing savings of up to 30% in fleet maintenance for medium and large companies. Another highlight is Canal da Peça, which connects auto parts manufacturers and distributors to automobile repair shops and the final consumer. The startup — which has already raised about US\$ 5 million and has the e.Bricks Ventures fund as one of its investors — offers over 700 SKUs and serves over 100,000 customers.

Further information about the landscape of AutoTech startups in Brazil and definitions and details about each of the categories listed are available at:<http://liga.ventures/insights-autotech/>.

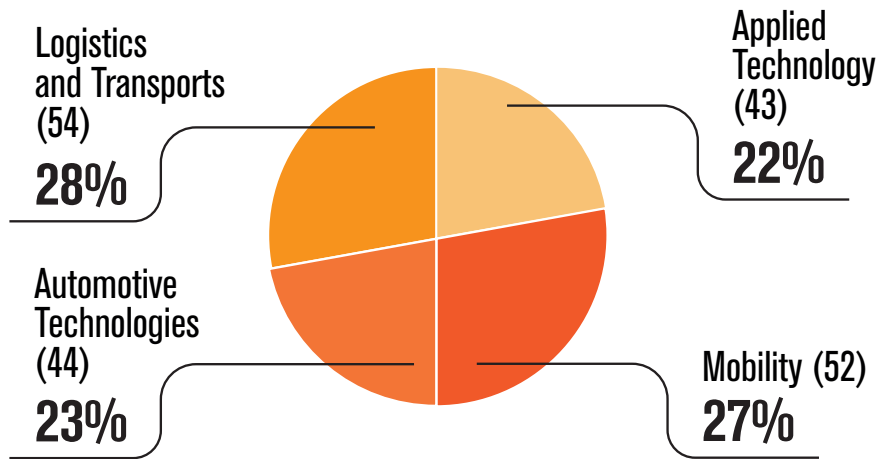


Daniel Grossi
Co-founder and Director
Liga Ventures



Raphael Augusto
Startup Hunter
Liga Ventures

STARTUPS BY SOLUTION FIELD

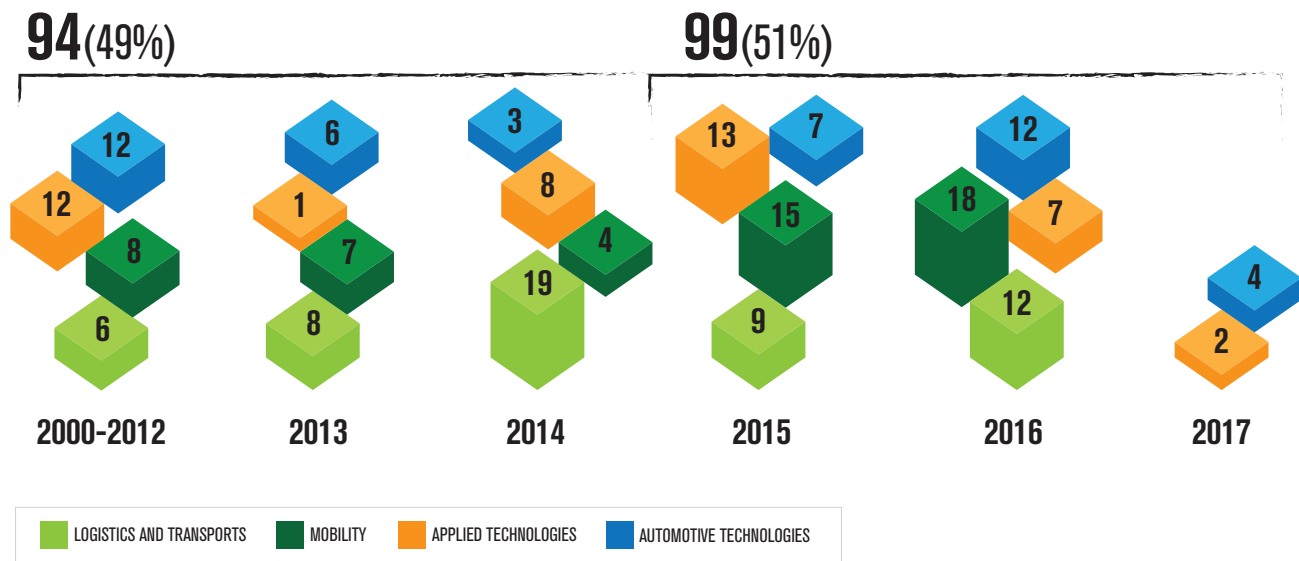


COUNTRY REGION	# OF STARTUPS	REGION SHARE
SOUTHEAST	137	70,9%
SOUTH	35	18,1%
MIDDLE WEST	12	6,2%
NORTHEAST	8	4,1%
NORTH	1	0,7%

Most Startups based are in the Southeast and South Regions

Source: Liga Ventures and Lunica.

STARTUPS FOUNDATION BY YEAR AND SOLUTION FIELD



Source: Liga Ventures and Lunica, 2017.

LIGA INSIGHTS

Aut

LANDSCAPE | AGO/2017 | 193 STARTUPS

Automotive Technology

Sales & Resales Experience
8 Companies

Finance & insurance
11 Companies

Car & Auto Parts
12 Companies

Applied Technologies

Big Data / Data Analytics
6 Companies

Drones
6 Companies

Management Software / CRM
17 Companies

Logistics & Transport

Freight Management & Pricing
9 Companies

Fleet Management
6 Companies

Last-mile Delivery / Reverse Logistics / Delivery
15 Companies

Mobility – 52 Companies

Alternative Transportation
9 Companies

Rides
5 Companies

Car-sharing / E-hailing
18 Companies

Technologies – 44 Companies

Auto Parts Marketplaces 4 Companies



Vehicle Monitoring 4 Companies



Maintenance Services 9 Companies



Technologies – 43 Companies

CRM 7 Companies



Field Services 6 Companies

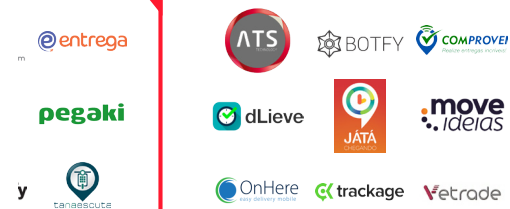


Industry 4.0 8 Companies



Technologies – 54 Companies

Logistics / Delivery 10 Companies



Tracking 9 Companies

Routing Systems 10 Companies



Trucking 5 Companies



Technologies – 52 Companies

Bus 7 Companies



Collective Transportation 6 Companies



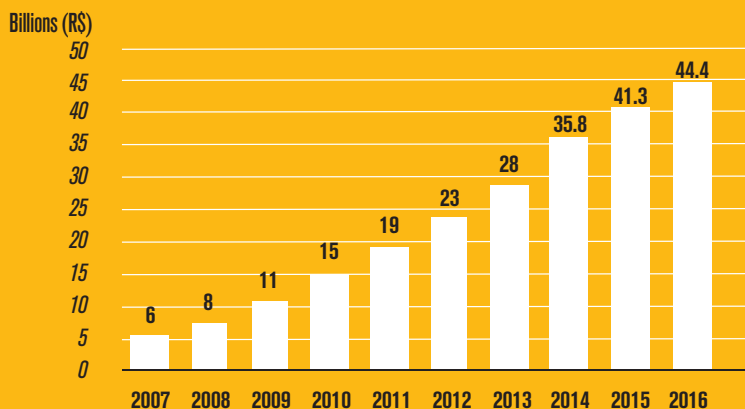
Parking 8 Companies



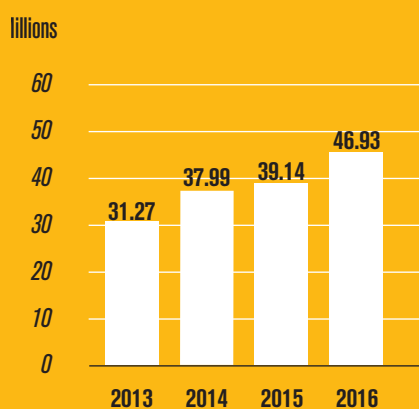
<https://liga.ventures/insights-autotech/>

NOTABLE SECTORS: INTERNET

E-COMMERCE SALES



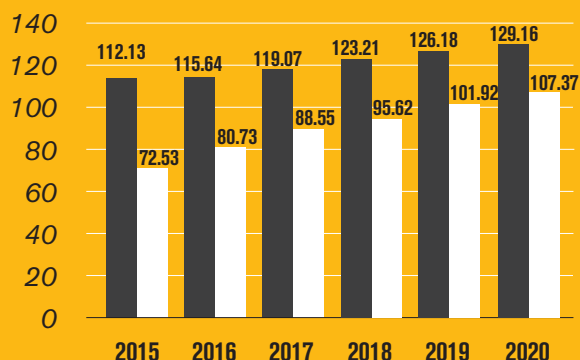
NUMBER OF (ACTIVE) E-CONSUMERS



NUMBER OF INTERNET USERS

■ All devices ■ Mobile

Millions



Brazil has the fourth largest internet population.

The country is a leader in Latin America, with approximately 119 million users. Several of these users access the web via mobiles, which now accounts for almost 74% of the total.

Improvements in broadband infrastructure played a major role in smartphone use, which should keep growing in the future.

In 2020, 107 million mobile users in Brazil are expected to access the internet from their devices, up from 80 million in 2016.

In 2016, the country has shown a market of 47.93 million active e-consumers, accounting for R\$ 44 billion in revenue. E-commerce sales shall grow 12% in 2017, with nearly R\$50 billion in sales, according to the famous Brazilian report Web Shoppers, published by Ebit.

While in 2016, the country's internet user outreach was a little over 55.65%, according to Statista, The Statistics Portal.

Several local players are targeting scale, while some international companies are testing the market for entry.

Source: Statista, Internet Live Stats, Ebit - 2017.

NOTABLE SECTOR: FINTECH



Marcelo Bradaschi
FintechLab & Clay Innovation



Fabio Gonzalez
FintechLab & Clay Innovation

Unquestionably, 2016 will be remembered as the year when Brazil finally embraced the Fintech industry. We have seen the creation of hundreds of new businesses and organizations, as well as the growth of its representation in the media. In short, the Brazilian market is maturing and a big number of opportunities are available.

Around 32% of the adult population in the country does not have a bank account, and 53% of medium-sized and small businesses do not have access to credit. Fintechs can help diminish these gaps, and there already are examples of projects focusing on services for this market, often neglected by big banks. Startups like Banco Mare, Pop Recarga, ToGarantido, TaPago,

E-dinheiro and Avante, among others, are some names to highlight.






Some local entrepreneurial success stories, such as Buscape, Hotel Urbano and Netshoes, have become pioneers in delivering services and interacting with customers online. Parallel to the emergence of these companies, the Brazilian population is increasingly adopting technology to manage their financial lives. Internet and Mobile Banking, for example, have shown very strong growth, accounting together for 54% of the 54 billion bank transactions made in Brazil in 2015.

Nonetheless, many challenges are still relevant to date. Some of the most notable ones are difficulties in linking payment receipts with transactions, difficulties in choosing and comparing investment options and a lack of tools for the integrated tracking of personal finances. In the B2B market, the scenario is pretty much the same, with small and medium-sized businesses facing some issues. Problems concerning product offer, high prices and operational difficulties, such as financial agreements are on the list. In the payment field, there has also been a strong regulatory push in recent years to encourage competition. The break in exclusivity for acquisitions in 2010 and new regulations concerning payment methods in 2013 are two good examples in this regard.

However, that's just the tip of what is going on in Brazil. The most important is to focus on sharing insights about the startups themselves. That is the purpose of the FintechLab Radar, which is the largest Fintech monitoring tool in Brazil, currently in its fifth edition. The Radar gathers info about entrepreneurs, investment volume, number of companies by Fintech cluster, and other useful information. On the latest edition, only 10% of participating startups stated they had more than 50 employees in their ranks.

Nevertheless, reflecting the development in this industry, Fintechs were still able to attract investors, with 72% of them having already received some kind of capital injection. Of the Fintechs that have received investment, 14% received more than R\$ 20 million, according to data from the survey. In less than a year, more than 200 initiatives started in the country, changing the status quo. However, it is clear that having a good idea is just the first part of the challenge. Conquering the market and scaling up solutions without losing quality are just some of the critical issues Fintechs have to face. Fortunately, the maturation of the ecosystem is strengthening and increasing the chances of success.

FINTECH NUMBERS AND SPECIALTIES IN LATAM

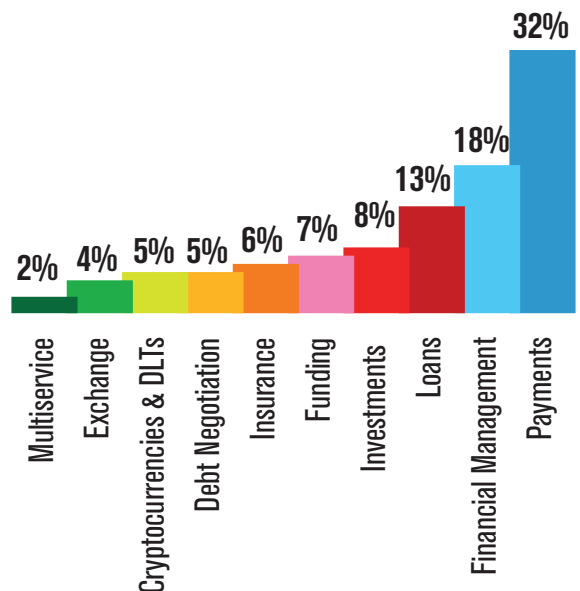
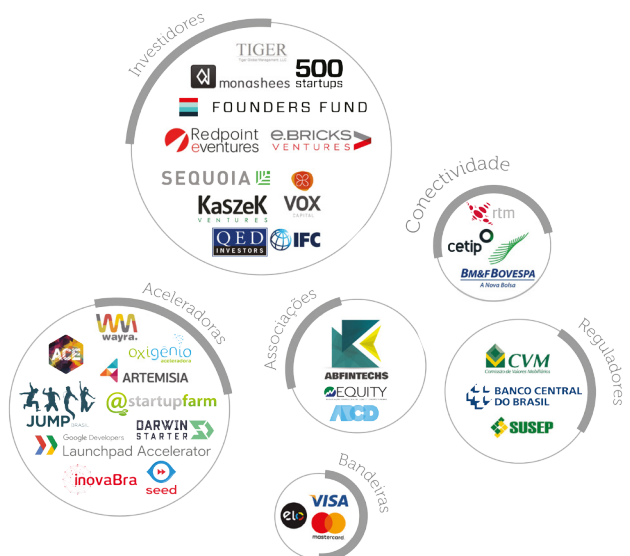
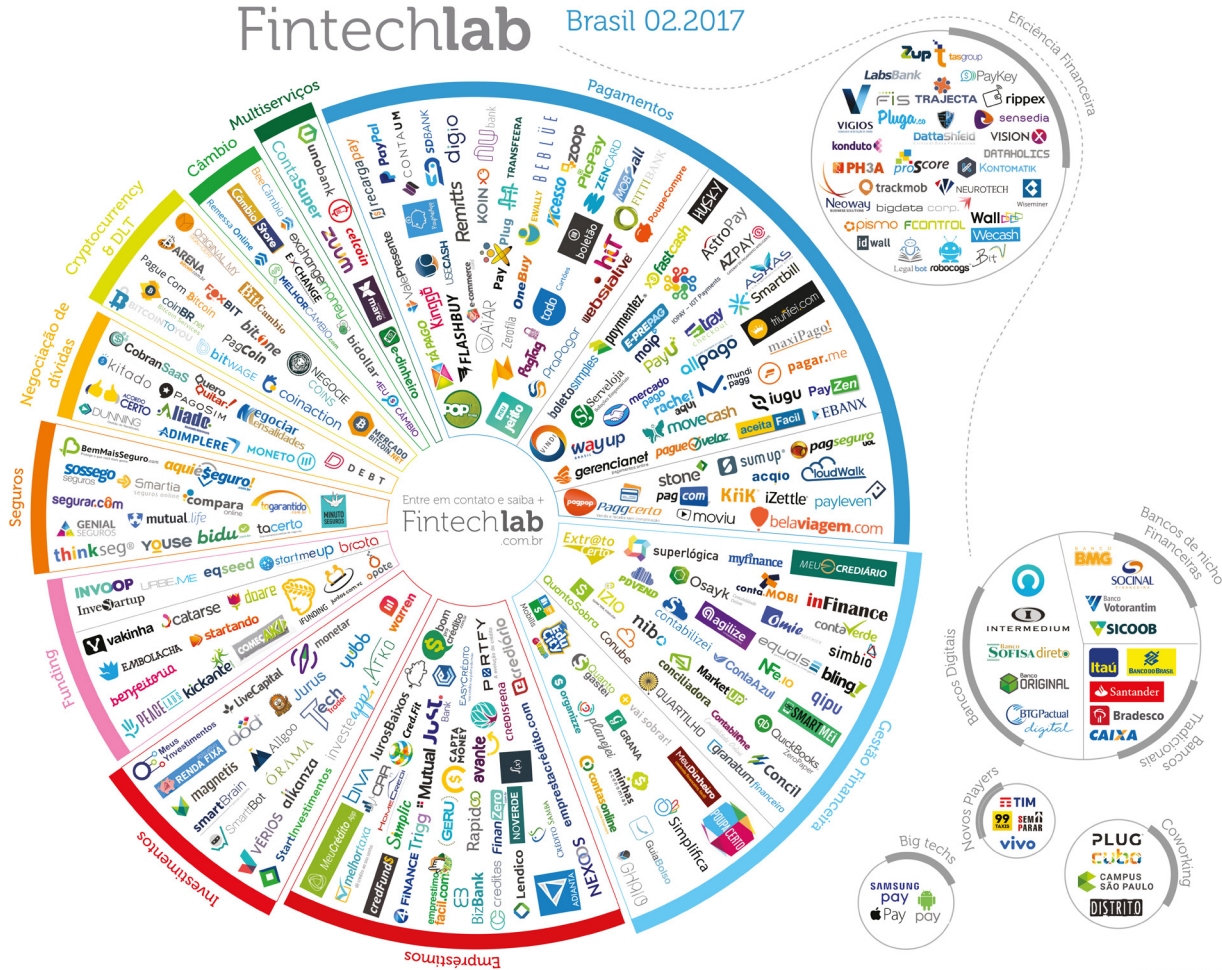
COUNTRY	# OF FINTECHS	MAIN SECTORS	PROSPECTS
Brazil 	244	Payment	Brazil is the largest Fintech market in Latin America and shows itself and more deserving of holding on to this lead.
Mexico 	158	Payments and Loans	What stands out is the mission to promote financial inclusion and reach the large part of the population with no bank account. A Fintech Association has been created and there are discussions to create a Fintech Law.
Argentina 	60	Payments and Remittances and Financial Management	Macri put innovation as his government's priority, aiming to make it possible to start a company in 1 day. NextpLabs is one of Latin America's largest accelerators and has a strong vertical in Fintechs. It has already expanded to Mexico, Colombia and Chile.
Colombia 	77	Payments and Loans	Bogota and Medellin and the two strong centers for technology and innovation in the country. Advances count on the government's support, as it aims to digitalize the whole Colombian population. Recently, a Colombian fintech association was created.
Chile 	56	Payments and Crowdfunding	The acceleration programme Startup Chile has become a leader within the continent. Santiago has become a model city for developing both national and international start ups. The country's focus on Fintechs is just beginning.

Source: Radar Fintechlab (Brazil), Finnovista (Mexico, Colombia, Argentina and Chile) 2016.

**FINTECHLAB RADAR
HAS REGISTERED 247 COMPANIES
WITH THE FOLLOWING SOLUTIONS**

Radar Fintechlab

Brasil 02.2017

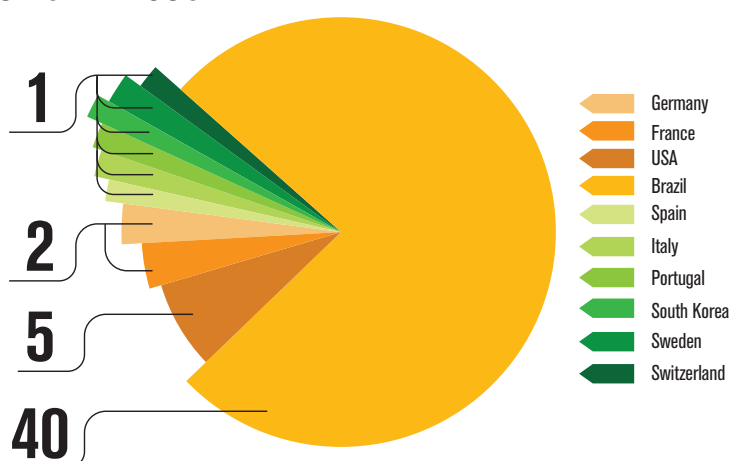


Source: FintechLab, Clay Innovation, 2017

CORPORATE VENTURING – LOCAL INSIGHTS & ACTIVITY

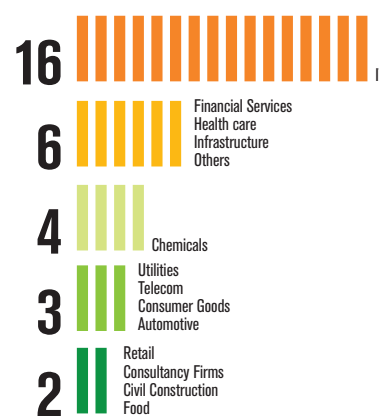
On the first two quarters of 2016, the Harvard Business Alumni Angels Brazil surveyed 64 corporations on practices and the status of Corporate Venturing activity in Brazil. The conclusions show increasing investment activity in the country, including a set of different venturing tools being developed to partner startups and a relevant participation of international CVCs among strong presence of Brazilian capital from local corporations. It is noteworthy that some market insights shows twice as much corporations turning into corporates.

CORPORATE VENTURING CAPITAL ORIGIN BY COUNTRY



Forty (40) corporations are investing with local budget, while 24 commit international capital to the country. Investments from the USA, France and Germany are the most frequent sources.

CORPORATE VENTURING CAPITAL BY INDUSTRY



As frequently observed in other countries, IT answers for 25% of CVC activity in Brazil, followed by Financial Services (9.3%), Health care (9.3%), Infrastructure (9.3%) and Chemicals (6.3%).

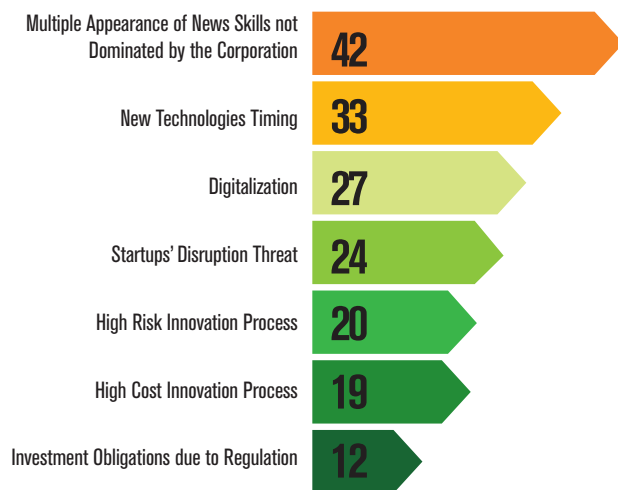
REASONS WHY CORPORATIONS ARE PARTNERING WITH STARTUPS



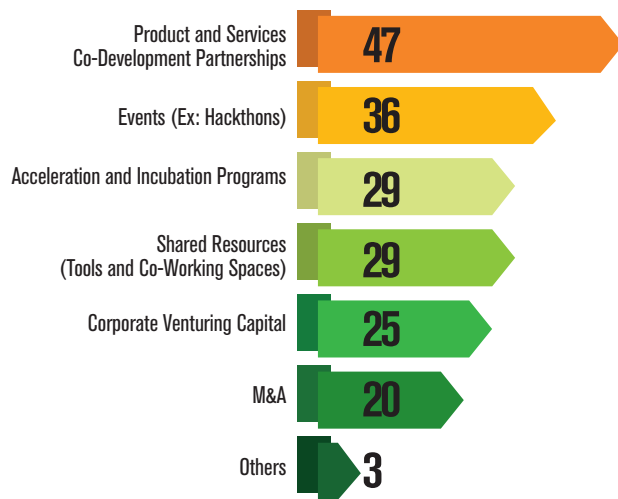
By allowing multiple answers from a single corporation in this enquiry, 84.4% of the participants claimed that strategic motivation is determinant for partnering startups. Almost 1/3 of the corporations have stated Financial Returns as a reason.

Source: HBS Alumni Angels Brazil, 2016

RELATIONSHIP WITH STARTUPS TRIGGERS

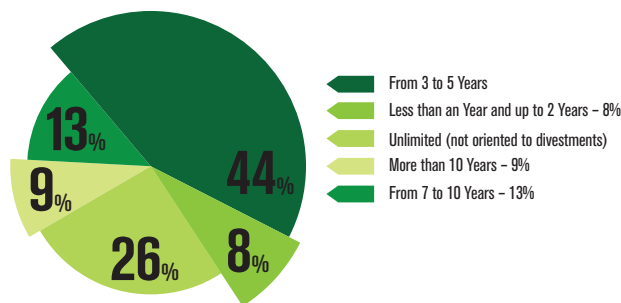


About the triggering moment to commit the first budget expense or invest in startups, three facts are the most frequent: New skills not dominated by the Corporation (65.6%), New Technologies Timing (51.6%), and Digitalization (42.2%). Not less importantly, 37.5% of the participants stated the Startup's Disruption Threat as a reason.



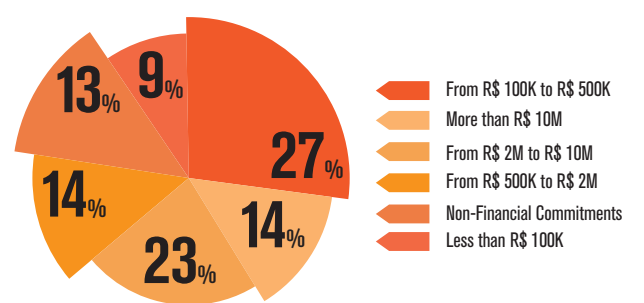
Most corporations (73.4%) choose product and services co-development partnerships as the main strategy to engage with startups. In a relevant manner, if considered together, the option for Acceleration/ Incubation programs plus Co-Working space, which could be considered a pre-acceleration approach, 90.6% of the corporations are delivering this kind of engagement. Corporate Venturing capital is being committed 39.1% of the corporates coming from multiple sources such as: Direct Investment (79.7%), Governmental Subvention Programs (20.3%), Capital of Third Party Corporations (15.6%), Fiscal Incentives (15.6%), and CVC Funds (11%), these being the most expressive investment vehicles. It is noteworthy that many corporations are deploying multiple efforts simultaneously.

AVERAGE INVESTMENT PERIOD IN STARTUPS



The long-term approach (from 7 years on) is the most relevant one with 48% of the answers.

INVESTMENT SIZE

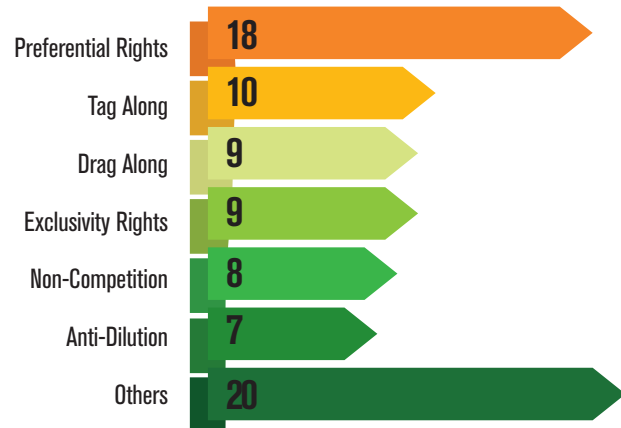


In comparison, considering the traditional VC local investments size, 50% of the CVCs are going for Seed Capital Investments. Out of this number, 14% can reach up to Series A, and 14% can invest beyond Series B. We currently consider US\$ 1.00 = R\$3.30 as a general reference.

Source: HBS Alumni Angels Brazil, 2016

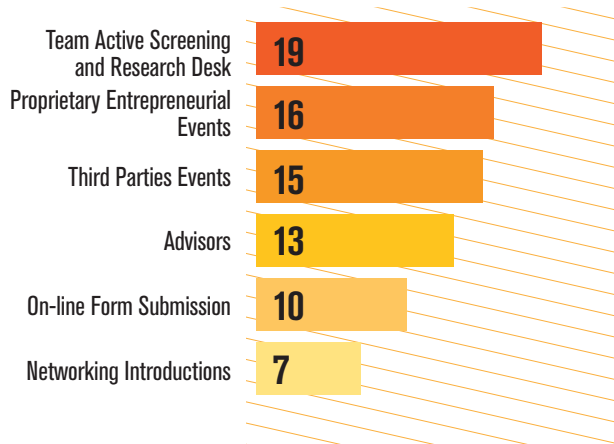
In order to invest, corporations prefer some contractual clauses considering the Brazilian regulations and VC/PE best practices. These are:

MOST COMMON CONTRACT CLAUSES



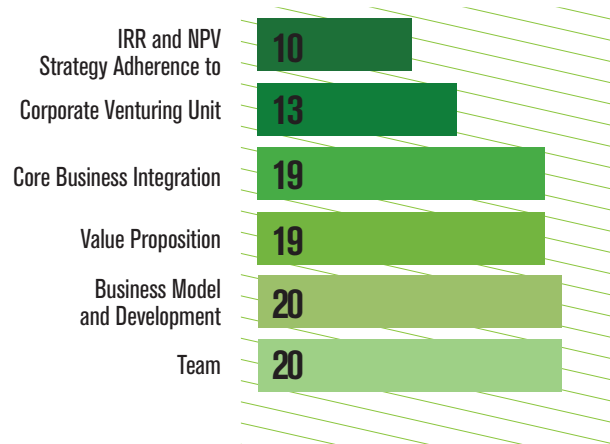
ABOUT STARTUP SCREENING, SELECTION CRITERIA AND METRICS

SCREENING ACTIVITIES OF STARTUPS



The majority of corporations generate their Deal Flow directly. Only 25% of the respondents rely on external tools for screening.

SELECTION CRITERIA OF STARTUPS



The classical investment analysis is less deployed to evaluate startups. Besides traditional VC criteria, the integration with the core business is a must.

MAIN FOLLOW-UP METRICS



Source: HBS Alumni Angels Brazil, 2017

INNOVATION INCENTIVES – BENEFITS & MECHANISM

The Brazilian Government is known for incentivizing local companies through granting tax benefits. There are many tax benefits currently available in Brazil related to a great variety of economic sectors, such as agribusiness, automotive, renewable energy, oil and gas, among others and in all government levels (Federal, State and Municipal). Not by chance, it is common in Brazil the negotiation of tax benefits between taxpayers and authorities previously to the beginning of a taxpayers' activities.

Tax benefits related to R&D have been a mechanism used by the Brazilian Government to foment technological innovation. The benefits available are usually related to accelerated depreciation on the R&D assets, tax deductions (including super deductions), tax exemptions and financial support, as detailed below:

- **Incentive to Technology Innovation**
 - Deduction of R&D expenses from Corporate Income Taxes basis;
 - A 50% reduction on IPI, Imposto sobre Produtos Industrializados (federal excise tax), for eligible R&D activities;
 - Withholding Income Tax at zero rate on the remittances abroad for registration and maintenance of patents and brands.
- **Incentive to Innovation and Scientific Research**
 - Granting of financial support from the Federal Government.
- **Law of Computing**
 - Reduction on IPI tax burden
- **Support Program to the Semiconductors Industry regarding the Technology development (“PADIS”)**
 - Social Contributions on Total Revenues (“PIS/COFINS”), Import Tax (“II”) and IPI at zero rate on supplies and machines acquisition and importation;
 - PIS/COFINS and IPI at zero rate on sales revenue of PADIS beneficiaries products;
- **Special Regime to the Infrastructure development (“REIDI”)**
 - Suspension of PIS/COFINS and PIS/COFINS-Importation on acquisition and importation of build supplies.
- **Special Regime to the Infrastructure development on Oil Industry in North, Northeast and Central-West area (“REPENEC”)**
 - Suspension of taxes on acquisition and importation of supplies and services regarding the beneficiaries' activities.
- **Special Regime to Taxation of Information Technology Exportation Service (“REPES”)**
 - Suspension of taxes on acquisition and importation of goods to the fixed assets regarding the beneficiaries activities;
 - Suspension of taxes on acquisition and importation of services to the software development and information technology services;
 - Suspension of IPI on importation of new goods.
- **SUDAM and SUDENE**
 - Reduction on Corporate Income Tax burden;
 - Exemption of Corporate Income Tax regarding the beneficiaries activities manufacturing;
 - Accelerated depreciation of goods and machines mentioned in Decree No. 5.789/2006
- **Manaus Free Zone**
 - Reduction of II tax burden;
 - Exemption of IPI and PIS/COFINS of transactions in Manaus Free Zone;
 - Refund of ICMS in particular cases; and
 - Exemption of ICMS in supplies acquisitions
- **Investments through Private Equity Investment Funds**
 - Withholding Income Tax at zero rate on remittances abroad if certain criterion are met.
- **Angel Investments**
 - Recently regulated, guarantee that the investment is not taxed at the beneficiary company, and grants the “Angel” protection from been liable for any debt of the beneficiary company.



Over the last few years Brazilian Government has been putting a lot of effort in encouraging R&D activities and creating a good environment for Start Up companies, especially those related to the development of new technologies. These efforts have been intensified by the recently economic crisis, in which the development of new companies was considered a key solution.

Christiane A. Alvarenga

Senior Associate
TozziniFreire Advogados

INCENTIVE ID	DESCRIPTION OF THE BENEFIT	REQUIREMENTS	LEGISLATION
Incentive for Technological Innovation	<ul style="list-style-type: none"> i) Deduction of expenses with R&D for CIT (Corporate Income Tax) and CSLL (Social Contribution on Net Income) purposes; (ii) A 50% reduction of IPI (Tax on Manufactured Products) due in acquisition of machinery and equipment for R&D; (iii) Accelerated depreciation of assets for research and development activities; (iv) Accelerated amortization of intangible assets for research and development activities; (v) Zero rate of withholding income tax in remittances abroad for the registration and maintenance of trademarks, patents and cultivars. Depreciation and accelerated amortization of these assets. 	<p>To whom: Any legal entity that invests in technological research and development of technological innovation.</p> <p>Conditions:</p> <ul style="list-style-type: none"> To have a research project in technological innovation (it does not necessarily needs to be approved by any organ); To perform research investment in any one of the procedures established by Law; To possess valid fiscal regularity certificate. <p>Term: none.</p> <p>Observations: It is expressed the possibility of investment in micro and small enterprises.</p>	Law no. 11.196/05/ Decree no. 5.798/06
Incentives for Innovation and Scientific and Technological Research in Productive Environment	Granting of financial resources in the form of economic subsidy, financing or equity interest, aiming at the development of innovative products or processes.	<p>To whom: Public or private companies that have among their objectives the financing of actions aimed at encouraging and promoting the development of science, technology and innovation.</p> <p>Conditions: The project must be approved by the grantor.</p> <p>Term: Duration of the project.</p>	Law no. 10.973/2004 and Decree no. 5.563/2005
Law of Informatics	<p>Reduction of IPI depending on the products promoted, period and region in the country:</p> <p>From 2004 to 2014: 80% in the South and Southeast; 95% in the North, Northeast and Midwest</p> <p>From 2025 to 2026: 75% in the South and Southeast; 90% in the North, Northeast and Midwest</p> <p>From 2027 to 2029: 70% in the South and Southeast; 85% in the North, Northeast and Center-West</p>	<p>To whom: manufacturers of computer and automation assets that invest in Research and Development.</p> <p>Conditions:</p> <ul style="list-style-type: none"> Investment of 5% of the revenue (with some reductions provided) in research and development, in accordance with the corresponding legislation; To obtain a license before the Ministry of Science and Technology; To prove fiscal regularity; To manufacture products whose NCM (Mercosul Common Nomenclature) appears in the list of products encouraged by Law; Compliance from PPB (Basic Productive Process). <p>Term: until 2029.</p>	Laws no. 8.248/91
PADIS – Program of Support to the Technological	(i) Zero rate of PIS/COFINS, IPI and II (Import Duty) in the acquisition and import of inputs and machinery for the manufacture of products included in PADIS.	To whom: Legal entity that perform activities of development and manufacture of radio frequency signal transmitting equipment for digital television, classified in code 8525.50.2	Law no. 11.484/2007 Decree no. 6233/2007

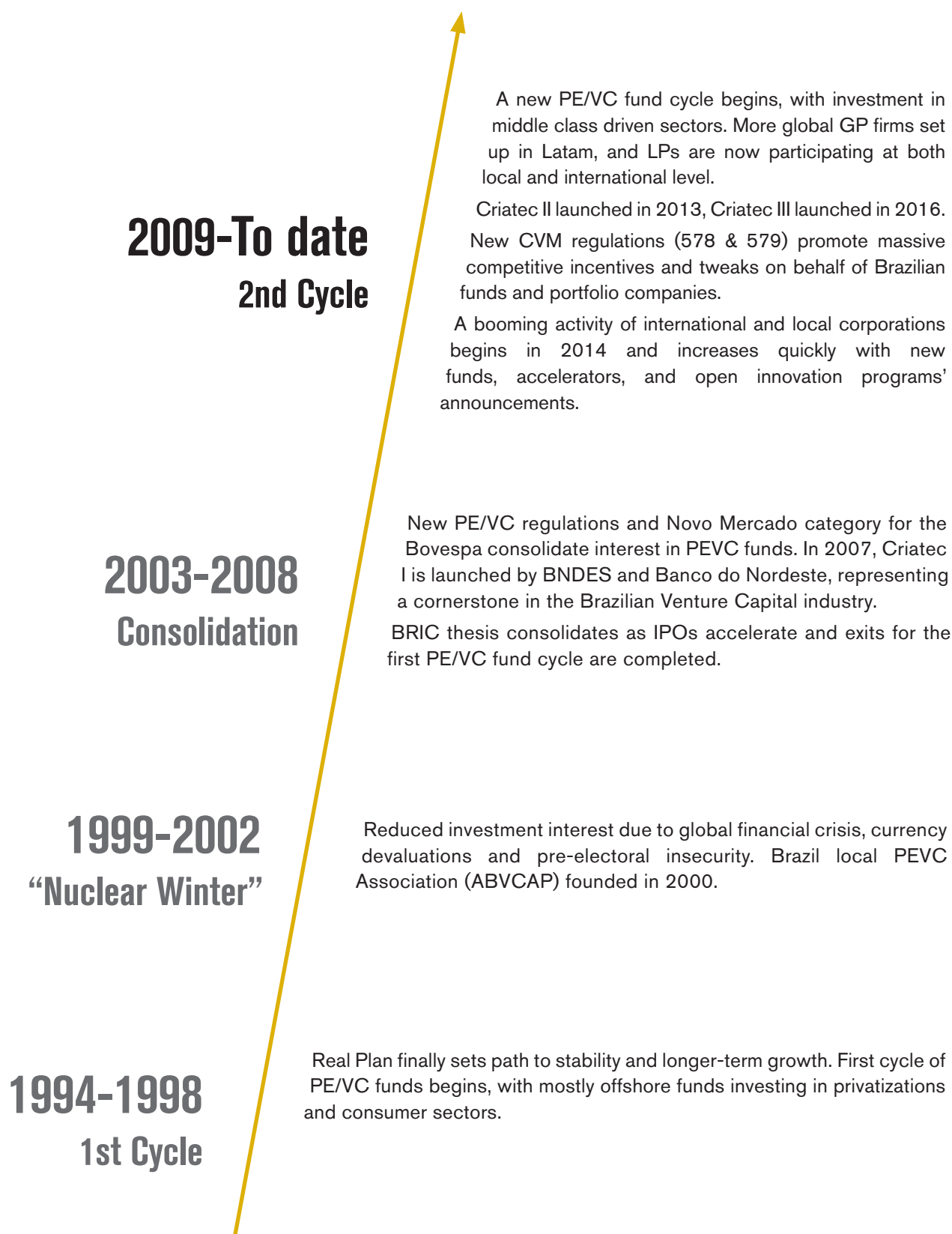
INCENTIVE ID	DESCRIPTION OF THE BENEFIT	REQUIREMENTS	LEGISLATION
Development of the Semiconductor Industry and Displays	<ul style="list-style-type: none"> (ii) Zero rate of PIS/COFINS on revenue from sale of products included in the program; (iii) Zero rate of IPI on sale of products included in the program; (iv) A 100% reduction of tax rate on profit from exploitation (see benefits SUDAM and SUDENE); (v) Zero rate of CIDE-royalties on remittances abroad to payment of royalties in contracts for the exploitation of patents, trademark use and supply of technology. 	<p>of the NCMs.</p> <p>Conditions:</p> <ul style="list-style-type: none"> – To invest at least 2.5% of the gross revenue on the domestic market in Research and Development in the areas of microelectronics and the devices abovementioned; – To own a project approved by the Ministry of Science, Technology and Innovation and by the Ministry of Development, Industry and Foreign Trade; – At least 1% of the gross revenue shall be applied upon agreement with official or recognized centers or research institutes/entities in Brazil, accredited by the Committee of Information Technology (CATI) or by CAPDA (Committee for Research and Development Activities in the Amazon Region). <p>Term: Approval of projects until July 31, 2020, and the term for fruition varies according to the benefit and activity practiced by the company, to be evaluated on a case-by-case basis.</p> <p>Observations: As a rule, the reductions in tax rates do not apply cumulatively with other reductions or benefits relating to the same taxes or contributions.</p>	<p style="text-align: right;">▲</p> <p>Normative Instruction RFB no. 852/2008</p>
REIDI – Special Regime of Incentives for Infrastructure Development	<ul style="list-style-type: none"> (i) Suspension of PIS/COFINS and PIS/COFINS-Import on the acquisition and import of services and materials for use in infrastructure; 	<p>To whom: Legal entity that holds a project for the implementation of infrastructure works in the sectors of transport, ports, energy, basic sanitation and irrigation.</p> <p>Conditions:</p> <p>To own a project approved by the Ministry responsible, as well as license before the Federal Revenue Service of Brazil.</p> <p>Term: Five (5) years from the date of license.</p> <p>Observations: Interest charge and penalty on the contribution not collected, if the merger do not occur.</p>	<p>Law no. 11.488/2007 Normative Instruction RFB no. 758/2007</p>
REPENEC – Special Incentive Regime for Infrastructure Development of the Oil Industry in the North, Northeast and Midwest Regions	<ul style="list-style-type: none"> (i) Suspension of PIS/COFINS and PIS/COFINS-Import on the acquisition and import of materials and services for the incorporation in the activities benefited by the special regime; (ii) Suspension of IPI on the acquisition and import of materials and services for the incorporation in the activities benefited by the special regime; and (iii) Suspension of II on the import of materials for the incorporation in the activities benefited by the special regime. 	<p>To whom: Legal entity that has a project approved for deployment of infrastructure works in the North, Northeast and Midwest, in the sector of petrochemical, oil refining, and production of ammonia and urea from natural gas sectors, for incorporation into its fixed assets.</p> <p>Conditions:</p> <p>To own a project approved by the Ministry of Mines and Energy;</p> <p>To possess a license before the Federal Revenue Service of Brazil.</p> <p>Term: Five (5) years from the date of license.</p> <p>Observations: The license must be separately requested for each linked project.</p>	<p>Law no. 12.249/2010 Decree no. 7.320/2010 Normative Instruction RFB no. 1.074/2010</p>
REPES – Special Tax Regime for Information Technology Export Companies	<ul style="list-style-type: none"> (i) Suspension of PIS/COFINS and PIS/COFINS-Import on the acquisition and import of fixed assets of the company benefited by Law; (ii) Suspension of PIS/COFINS and PIS/COFINS-Import on the acquisition and import of services for software development and information technology services; (iii) Suspension of IPI levied on the import 	<p>To whom: Legal entity who performs mainly software development activities or the provision of information technology services, except the ones that opt for SIMPLES.</p> <p>Conditions: Take export commitment greater than or equal to 60% of its annual gross revenue resulting from the sale of assets and information technology services.</p> <p>Term: Three (3) years after license.</p>	<p>Law no. 11.196/2005 Decree no. 5.712/2006 Normative Instruction SRF no. 630/1996</p> <p style="text-align: right;">▼</p>

INCENTIVE ID	DESCRIPTION OF THE BENEFIT	REQUIREMENTS	LEGISLATION
	of new assets, without national similar, by beneficiary of REPES.	Observations: The suspension is converted into a zero rate or exemption, for IPI, after the fulfillment of the export commitment. There will be interest charge and penalty on unpaid taxes if the license is canceled or if the license of use is given before conversion at a zero rate.	▲
SUDAM – Superintendency for the Development of the Amazon	(i) Reduction of up to 75% of income tax of legal entities; (ii) Tax exemption of legal entities for the manufacture of items included in the Digital Program; and (iii) Accelerated depreciation of assets and machinery listed in Decree no. 5.789/2006.	To whom: Enterprises located in Legal Amazon (Acre, Amapá, Amazonas, Mato Grosso, Rondônia, Roraima, Tocantins, Pará and Maranhão on its portion on the 44th Meridian West), with activities considered priority by the Federal Government, in the terms of the Decree 4.212/2002 (e.g., infrastructure, tourism and agro-industry). Conditions: To own a project approved in the area of investment, expansion, diversification or modernization of production units in the places abovementioned, being such a project considered a priority by SUDAM. Term: The Protocol for application must be held until December 31, 2018, and the term for fruition of the benefit is 10 years. Observations: For the purpose of starting the fruition of the tax-advantage, an enterprise is considered to have entered into operation when: a) For Deployment or Diversification Project: when the actual production exceeds 20% of the actual capacity installed; b) For Full Modernization Project: when the actual production exceeds 20% of the new actual capacity installed; c) For Partial Modernization or Expansion Projects: when the effective production exhaust the previous capacity installed and achieve a production of more than 20% of the new increased capacity.	Complementary Law no. 124/2007, Decree no. 4.212/2002, Decree no. 5.988/2006 and Ordinance no. 283/2013
SUDENE – Superintendence for the Development of the Northeast	(i) Reduction of up to 75% of income tax of legal entities; (ii) Tax exemption of legal entities for the manufacture of items included in the Digital Program; and (iii) Accelerated depreciation of assets and machinery listed in Decree no. 5.789/2006.	To whom: Companies located in the SUDENE area of activity and engaged in activities to support the primary economic sector such as infrastructure, tourism, agro-industry, extractive industry, manufacturing industry, electronics and microelectronics. Conditions: To own a project approved in the area of investment, expansion, diversification or modernization of production units in the places abovementioned, being such a project considered a priority by SUDENE. Term: Requests must be filed until 12/31/2018. The period of fruition of the benefit is 10 years. Observations: For the purpose of starting the fruition of the tax-advantage, an enterprise is considered to have entered into operation when: a) For Deployment or Diversification Project: when the actual production exceeds 20% of the actual capacity installed; b) For Full Modernization Project: when the actual production exceeds 20% of the new actual capacity installed; c) For Partial Modernization or Expansion Projects: when the effective production exhaust the previous capacity installed and achieve a production of more than 20% of the new increased capacity.	Complementary Law no. 125/2007, Decree no. 4.212/2002, Decree no. 5.988/2006 and Ordinance no. 1.211/2006

INCENTIVE ID	DESCRIPTION OF THE BENEFIT	REQUIREMENTS	LEGISLATION
Manaus Free Trade Zone	<p>Federal taxes</p> <ul style="list-style-type: none"> ▪ Reduction of up to 88% of the Import Duty (II) on the inputs for industrialization; ▪ Exemption from Tax on Manufactured Products (IP); and ▪ Exemption of contribution for the PIS/PASEP and COFINS in internal operations in Manaus Free Zone Trade. <p>State income taxes</p> <ul style="list-style-type: none"> ▪ Full or partial refund, ranging from 55% to 100% – depending on the project – of Tax on the Circulation of Goods and on Services of Interstate and Intermunicipal Transportation and Communication (ICMS); ▪ Purchase of inputs with exemption from ICMS. 	<p>To whom: Companies located in Manaus Free Trade Zone (Acre, Amazonas, Rondônia and Roraima and the cities of Macapá and Santana, in Amapá) and that act in commercial, industrial or agricultural centers.</p> <p>Conditions:</p> <p>Verification of internalization of assets for exemption from ICMS;</p> <p>Installation of factories in the Manaus Free Trade Zone.</p> <p>Term: Valid until 2073, pursuant to EC no. 83.</p>	Decree-Law no. 288/1971
Equity Investment Funds ("FIP")	<p>Zero income tax rate in distributions made by FIP or on capital gains earned in the disposal or redemption of quotas, provided that the following requirements are met:</p> <p>(i) The foreign investor shall not be able to detain 40% or more of the total shares issued by the fund, in isolation or in conjunction with persons linked to it;</p> <p>(ii) Shares held by a foreign investor should not grant 40% or more of the total income earned by the Fund, by itself or in conjunction with persons linked to it;</p> <p>(iii) FIP will not be able to hold in its portfolio debt papers in a percentage exceeding 5% of its net equity, except federal public papers;</p> <p>(iv) Foreign investors may not be resident or domiciled in a country which does not tax income or to tax at the rate of less than 20%.</p>	<p>To whom it applies: To foreign investors and investment funds in equity.</p> <p>It is also possible to invest via FIP in limited societies, provided that the requirements set out in CVM Instruction No. 578 are fulfilled.</p> <p>Conditions:</p> <p>In the event that the requirements described in the Normative Instruction are not fulfilled, the income paid to FIP investors will be subject to the collection of Income Tax (IRRF) under the rate of 15%</p> <p>Deadline: N/A</p>	Instrução Normativa nº 1.585/2015 and CVM Instruction No. 578
Angel Investment	<p>Benefits for the invested companies:</p> <p>(i) the value invested will not correspond to the capital of the company or revenue for taxation purposes;</p> <p>(ii) The company's activity will continue to be carried out by its associates.</p> <p>Benefits for the investor:</p> <p>(i) Corporate protection: will not respond to any debt of the company invested in any hypothesis;</p> <p>(ii) Right to sell the shares: you may sell your participation to the partners of the invested company or to third parties, with the consent of the partners - except if not allowed by the contract;</p> <p>(iii) Right to remuneration: you shall be entitled to receive remuneration for your contributions for a maximum period of 5 years. The remuneration will be limited to 50% of the profits earned in the year by the invested company, and will be taxed by IRRF in regressive rates of 22.5% to 15%;</p> <p>(iv) Right to redemption: the investor may redeem the invested capital after two years of contribution. Redemption value is limited to the value of the contribution corrected by the inflation index defined in the investment contract. The positive difference between the value of the contribution and the redemption value will be taxed by the IRRF using a regressive rate of 22.5% to 15%; and</p> <p>(v) Right of preference and tag along: you will have the right of preference in purchasing shares and the right to sell your participation in the same conditions as a regular partner (Tag along), in case the company is sold.</p>	<p>To whom it applies:</p> <p>Individuals or legal entities seeking to encourage the activities of innovation and productive investments. Investment funds will also be able to contribute capital as angel investors. There will be no incidence of IRRF in remuneration or redemption when the investor is a fund.</p> <p>Conditions:</p> <p>The investees are not to be micro-enterprises or small businesses. Investment should happen through a participation contract.</p> <p>Deadline:</p> <p>The contract must have a maximum period of 7 years.</p>	Complementary Law No. 155/2016 (which amended Complementary Law No. 123/2006) and Normative Instruction No. 1,719/2017

Source: TozzineFreire Advogados, 2017

PE/VC ECOSYSTEM: A SHORT HISTORY



STRENGTHS AND CHALLENGES

STRENGTHS



REALITY CHECK



Productivity gap as an opportunity for PEVC to address with increasing demand from several segments of the economy.

Diversification from over-allocated developed PEVC markets such as U.S/Europe and more recently China.

Brazil is more “western” in its business mannerisms than India or China, with solid international accounting and transparent regulatory rules for PEVC funds.

Continued FDI flow and lower asset prices providing opportunities for purchasing strategic assets and developing exits to global players.

PEVC increasing share of the economy but still **very low penetration** (0.3% of GDP) compared to developed economies.

Fewer exits of note compared to other regions and fewer success stories for local funds in general.

Improving but **still shallow depth of capital markets** helps PEVC deal flow, but makes for less IPO possibilities for all but the largest exits.

Shallow gene pool at the GP level **with few long-term track records**, with full cycle returns or long-term consolidated teams to attract international LPs.

PE/VC INDUSTRY SNAPSHOT



Brazil currently has more than

170 ACTIVE

PEVC asset management firms, as well as many direct and strategic investors.

More than
50 VENTURE CAPITAL GPS
are looking to invest in
6,000+ START-UPS

with many of them being backed by the 300+ Incubator or 30+ accelerators programs in the country.



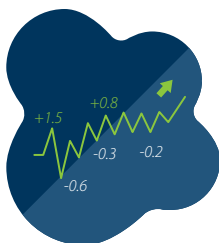
Diversified base of local institutional investors led by the

TOP 20 PENSION FUNDS

including the Brazilian Development Bank, government agencies, private banking and family office institutions.

1300+ PORTFOLIO COMPANIES

currently managed. From 2003 to 2015, more than 1000 new or follow-on investments were made in PE/VC vehicles in Brazil.



More than

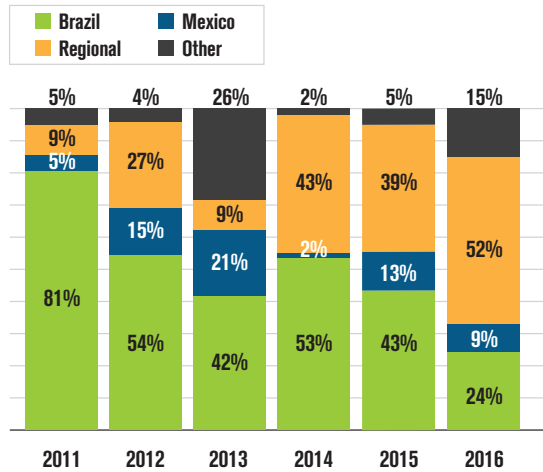
70 PRIVATE EQUITY-BACKED IPO'S

during the last ten years, raising approximately R\$ 35 billion.

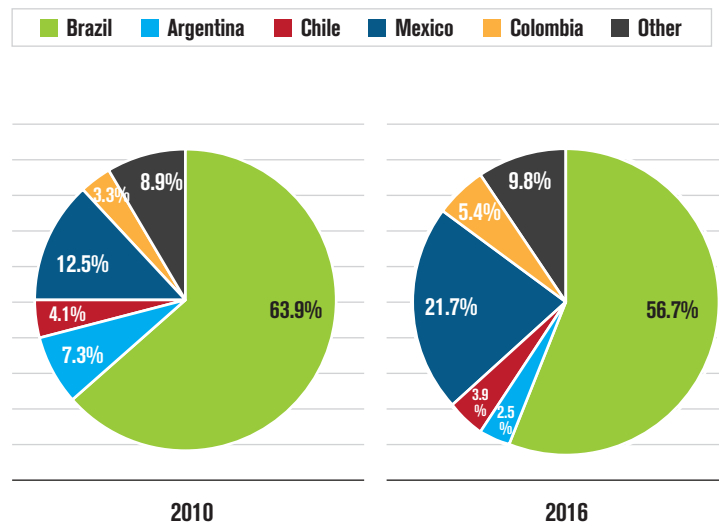
Sources: ABVCAP, ABStartups – 2017.

PE/VC NUMBERS

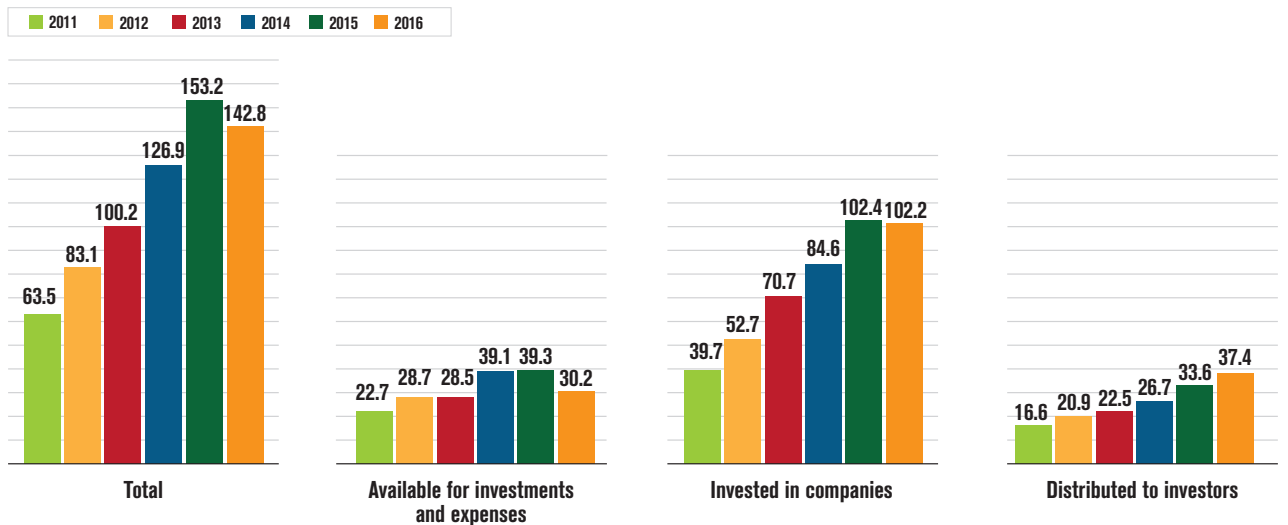
LATAM FUNDRAISING BY GEOGRAPHIC FOCUS



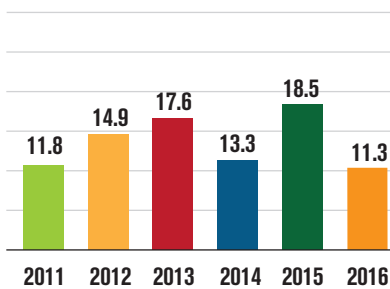
VENTURE CAPITAL DEALS IN LATAM BY COUNTRY



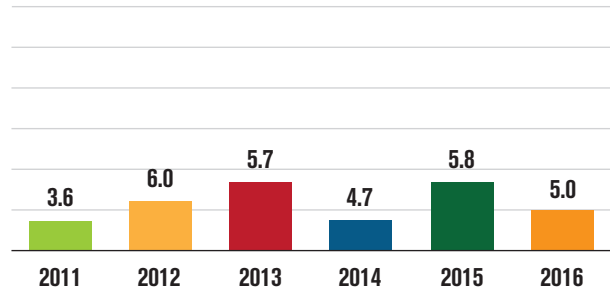
COMMITTED CAPITAL (R\$ BILLION)



INVESTMENTS MADE (R\$ BILLION)

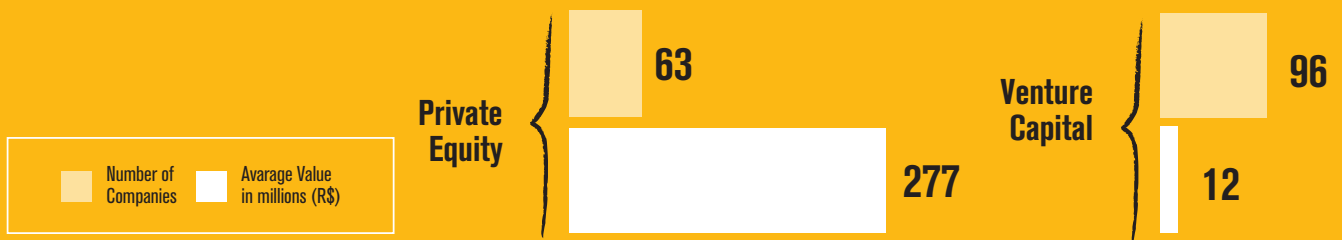


DIVESTMENTS MADE (R\$ BILLION)

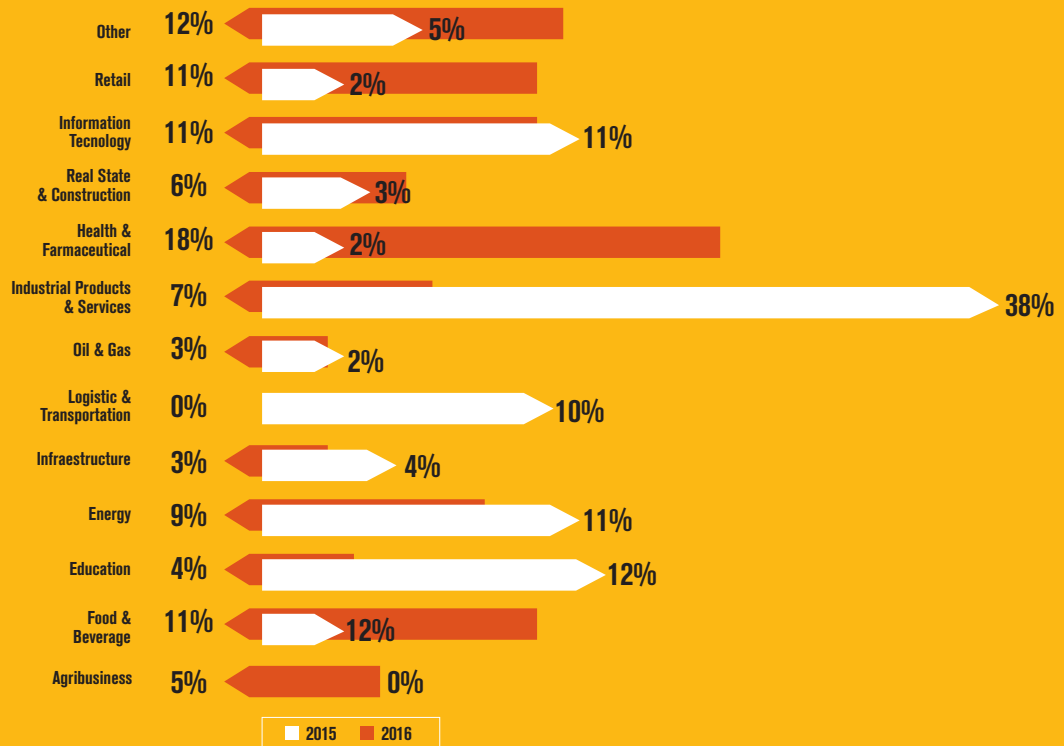


Source: ABVCAP, LAVCA – 2017.

COMPANIES AND THE AVERAGE VALUE IN MILLIONS (R\$)

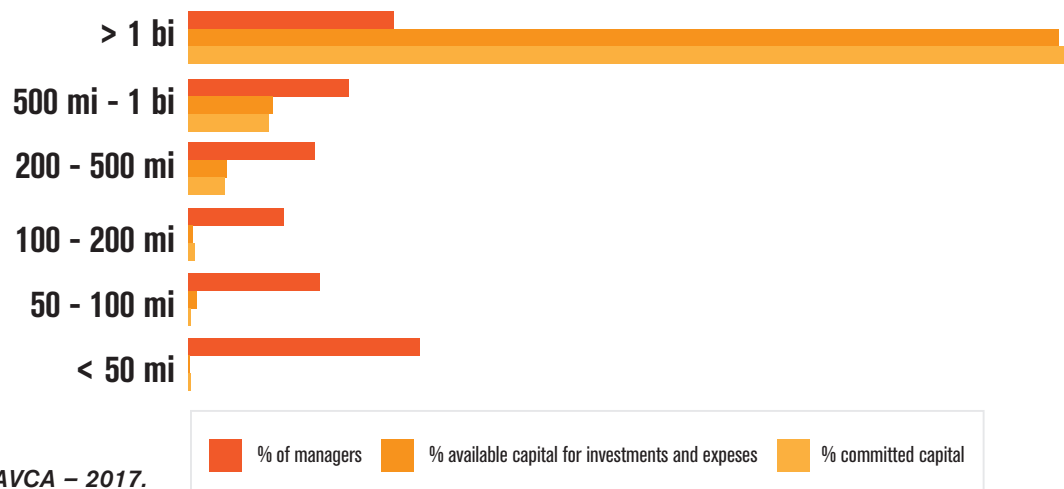


PERCENTAGE OF INVESTMENT VALUE BY SECTOR



Source: ABVCAP - Brazilian private Equity and Venture Capital Association, 2017.

CAPITAL AND MANAGEMENT DISTRIBUTION



Source: ABVCAP, LAVCA – 2017.

SAMPLE OF VC INVESTMENTS

Q1-Q2 2017

Fund Manager (s)	Company Name	Sector	Investment amount (US\$m)	Investment Date
500 Startups	Quero Educação	Education	100,000.00	Q2 2017
Abapuru	Hospital Vera Cruz	Health	Undisclosed	Q2 2017
Bozano Investimentos	Bling	IT	3,177,528.52	Q2 2017
Bozano Investimentos	Epitrack	HealthTech	Undisclosed	Q1 2017
Bz Plan	MobLee	services	953,258.56	Q2 2017
Canary	HRTech	services	476,629.28	Q1 2017
CRP Participações	Asaas	Fintech	794,382.13	Q2 2017
DGF Investimentos	Mosyle	EdTech	Undisclosed	Q2 2017
DGF Investimentos	IntellieBrand	IT / Retail	1,588,764.26	Q2 2017
Distrito Venture	Monetus	Fintech	Undisclosed	Q2 2017
Finistere Ventures, Vertex Ventures, Eshbol Investments, OurCrowd	Taranis	Agribusiness	Undisclosed	Q1 2017
FIR Capital	Cata Company	Fintech	1,588,764.26	Q2 2017
Fundeplar	Logpyx	Logistics	Undisclosed	Q1 2017
Go4it; Sequoia; Madrone Capital	Strava	IT	Undisclosed	Q2 2017
GVAngels	Espresso	Fintech	Undisclosed	Q2 2017
Investidores Anjos	Supermercado Now	E-commerce	317,752.85	Q1 2017
Investidores Anjos	Evnts	services	317,752.85	Q2 2017
Kick Ventures	Unimove	Education	Undisclosed	Q1 2017
Kick Ventures	Hippo Drs	Health	1,112,134.98	Q2 2017
Kick Ventures	Portal do Médico	HealthTech	Undisclosed	Q1 2017
Lepanto Investimentos	Arxo	Industry	Undisclosed	Q1 2017
Lituana UAB Dasma	Easypost	services	5,719,551.33	Q1 2017
Monashees	Cambly	Education	317,752.85	Q1 2017
Monashees	WorkCapital	Fintech	8,500,000.00	Q2 2017
Naspers	Movile	IT	53,000,000.00	Q1 2017
Omidyar Network	Colab.re	services	1,271,011.41	Q1 2017
Primatec	TecSUS	IT	Undisclosed	Q1 2017
Red Point E.ventures	Pismo	Fintech	Undisclosed	Q2 2017
Riverwood Capital	99	Urban mobility	100,000,000.00	Q1 2017
SP Investimentos	Horus Aeronave	IT	953,258.56	Q2 2017
Tencent; Sequoia Capital; Thrive Capital	Practo	Health	Undisclosed	Q1 2017
Vox Capital	Aondê Educacional	Education	1,271,011.41	Q2 2017

Source: ABVCAP - Brazilian private Equity and Venture Capital Association, 2017. * USD 1.00 = R\$ 3.1471

BRAZILIAN VCs



A5 PARTNERS

AUM – Assets Under Management in R\$: N/A
Total Invested Companies: N/A
Year founded/ initiated operations in Brazil: N/A
Investment Ticket in R\$ (Max/Min): N/A
Site: <https://www.a5.com.br/>

The founding partners of A5 Capital Partners have participated in a number of projects over the past 20 years, in which they have developed successful companies and teams, generating profitable companies.

In 2012, it was structured the Investment Fund, which now supports 11 companies. At the A5 CP I Fund there is leading companies in their segments such as Bebe Store (leader in children's e-commerce), ZARPO (Greater Travel Club of Brazil) and Q! Bazar (Leader in the discount retail omnichannel segment). The A5 CP II Fund supports the first Venture Capital initiative in the Midwest region of Brazil called FIP Central Brazil. This Fund aims to support entrepreneurs with theses in the segments of technology for Health, technology focused on agribusiness and pure technology.

ALTIVIA VENTURES

AUM – Assets Under Management in R\$: N/A
Total Invested Companies: 16
Year founded/ initiated operations in Brazil: 2012
Investment Ticket in R\$ (Max/Min): N/A
Site: <http://www.altivia.net.br/>

Work applying the knowledge, know-how and relationship they have acquired in more than 30 years of experience in business advising on investment capture, mergers and acquisitions (M & A) and developing open innovation / Corporate Venture programs.

ANTERA ASSET MANAGEMENT

AUM – Assets Under Management in R\$: 200,000,000.00
Total Invested Companies: 40
Year founded/ initiated operations in Brazil: 2005
Investment Ticket in R\$ (Max/Min): unlimited/5,000,000.00
Site: www.anteragr.com.br

Antera Asset Management has its roots in early stage investments in Brazil, focusing on energy and clean technology, biomaterials, life sciences, agribusiness and information technology. Their strategy is to do first rounds and continue to provide strategic and financial support through each phase of growth.

They focus on three core criteria: 1) the right team; 2) sustainable innovation and 3) high market growth. As the fund manager for Criatec I, they built operations in the top leading innovation centers in Brazil and an extensive global network of VCs and corporates from Silicon Valley, New York, Europe and Asia.



ASTELLA INVESTIMENTOS

AUM – Assets Under Management in R\$: 24,000,000.00

Total Invested Companies: 21

Year founded/ initiated operations in Brazil: 2008

Investment Ticket in R\$ (Max/Min): 15,000,000.00 / 250,000.00

Site: www.astellainvest.com

We are venture capital investors and an operational team. We help entrepreneurs master customer acquisition, product development, and company training. From the definition of a strategy to the creation of routines for client acquisition. From identifying critical features to developing a roadmap for scalability. From helping founders to hire talented people to the creating a corporate culture. From the basic metrics to the financial statements. From making industry contacts to connecting with other investors. We are present in all stages of business development.

ATACAMA VENTURES

AUM – Assets Under Management in R\$: N/A

Total Invested Companies: N/A

Year founded/ initiated operations in Brazil: N/A

Investment Ticket in R\$ (Max/Min): N/A

Site: <http://www.atacamaventures.com/>

Atacama Ventures has brought together a Brazilian Venture Capital team and combined it with a group of experienced High Tech Senior Executives. The team knows how to create startups and build them into large scale companies competing on a worldwide basis. The Silicon Valley and Brazil operational experience of the team help to make Brazilian High Tech start ups successful.

It invests primarily in Startups which differentiate themselves through a Technology component.

Some of the market segments it is interested in are Microelectronics, Information Technology, Automotive, Renewable Energy, Aerospace, Electronics, Semiconductors, Smart Grids and health care.

BBI FINANCIAL

AUM – Assets Under Management in R\$: 200,000,000.00

Total Invested Companies: 5

Year founded/ initiated operations in Brazil: 2009

Investment Ticket in R\$ (Max/Min): 35,000,000.00 / N/I

Site: <http://www.bbifinancial.com.br>

BBI Financial is an alternative investment fund manager specialized in investments in the segment of life sciences, healthcare, medtech and biotech. They invest in early stage companies with high growth potential and innovative products, services and business models.

BOLT VENTURES

AUM – Assets Under Management in R\$: N/A

Total Invested Companies: N/A

Year founded/ initiated operations in Brazil: N/A

Investment Ticket in R\$ (Max/Min): N/A

Site: <http://www.boltventures.com.br/>

Bolt Ventures is a seed and early-stage investment company based in Luxembourg with operating offices in Sao Paulo and Zurich. Founded by European and Brazilian entrepreneurs and investment specialists from several countries, the team has extensive knowledge of building and mentoring start-up businesses as well as in seed and angel investments, having managed Mountain do Brasil Investments SCA

for the last 2 years out of São Paulo.

They focus on high-growth internet businesses with focus on niche e-commerce, mobile only, education, marketplaces and subscription-based models.

BOSSA NOVA INVESTIMENTOS

AUM – Assets Under Management in R\$: 30.000.000,00

Total Invested Companies: 4

Year founded/ initiated operations in Brazil: 2010

Investment Ticket in R\$ (Max/Min): R\$500.000,00 / 10.000,00

Site: <https://www.bossainvest.com/>

The Bossa Nova Investments Micro Venture Capital company adds more than 150 startups invested in its portfolio currently. It's goal is to reach the number of 1000 startups invested by 2020. For this, Bossa makes investments in business in Brazil and the United States.

In 2016 announced the inauguration of its new operation in Miami. In 2017 the negotiations extended to Argentina, Uruguay, Chile and Mexico. It invests in Startups already validated in the market and that show the ability to climb.

BOZANO INVESTIMENTOS

AUM – Assets Under Management in R\$: 1.850.000.000,00 (PE and VC)

Total Invested Companies: 45 (PE and VC)

Year founded/ initiated operations in Brazil: 2013

Investment Ticket in R\$ (Max/Min):120,000,000.00 / 2,500,000.00

Site: www.bozanoinvestimentos.com.br

Bozano Investimentos is an alternative asset management firm created by the merger of the Bozano Group with three leading and complementary investment firms, BR Investimentos, Mercatto Gestão de Recursos, and Trapezus Asset Management, resulting in a unique platform for investors, clients and partners. Their investment philosophy builds on trust and knowledge.

Bozano Investimentos aims to become the most successful alternative investment management firm in Latin America. They focus on the sectors of education, consumer-related, technology, infrastructure and logistics, transportation, and oil and gas.

BR OPPORTUNITIES

AUM – Assets Under Management in R\$: N/A

Total Invested Companies: 2

Year founded/ initiated operations in Brazil: 2010

Investment Ticket in R\$ (Max/Min): N/A

Site: <http://www.broportunities.com.br/>

BR Opportunities - Growth Capital Investments is a private equity fund manager that drives high-impact emerging companies that improve Brazil and aims to invest in these organizations, accelerate their growth and turn them into effective leaders in their markets Of action. For this, their strategy is to take to the same management and professional governance, increase of visibility and transparency and network of relationships.

The dynamics of a Growth Capital seeks to position these organizations in the leaderships, transforming them into references of innovation and growth, generating even more value, as soon as possible for shareholders and investors. The leading investors of the BR Opportunities Fund are great Brazilian and foreign entrepreneurs looking to replicate their successes.



CVENTURES

AUM – Assets Under Management in R\$: 83.440.000,00

Total Invested Companies: 12

Year founded / initiated operations in Brazil: 2008

Investment Ticket in R\$ (Max/Min): R\$ 10,000,000.00 / R\$ 1,000,000.00

Site: www.cventures.com.br

The venture capital unit at Cventures aims to prospect and select start-ups or early stage companies with great innovative content and high growth potential, in order to provide long-term returns. Their target sectors are IT & telecom, digital business, life sciences and clean technologies.



CEDRO CAPITAL

AUM – Assets Under Management in R\$: 55 million

Total Invested Companies: 3

Year founded/ initiated operations in Brazil: 2016

Investment Ticket in R\$ (Max/Min): R\$ 5,000,000.00 / R\$ 1,000,000.00

Cedro Capital is an independent asset management firm located in Brasília-DF with a geographical focus in the Central region of Brazil. Venture Capital fund structured as a FIP (Fundo de Investimento em Participações) that aims to invest in innovative companies located in the central area of Brazil.



CONFRAPAR

AUM – Assets Under Management in R\$: 300,000,000.00

Total Invested Companies: 11

Year founded/ initiated operations in Brazil: 2007

Investment Ticket in R\$ (Max/Min): 20,000,000.00 / 1,000,000.00

Site: www.confrapar.com.br

Confrapar is a Brazilian fund manager focused on technology companies. They rely on the background and expertise of more than 100 operational partners in technology, media, education, health care and financial services. They have a partnership with Truffle Capital, a venture firm based in France with more than 14 years of investment history.

Confrapar invests in midmarket technology companies through three Brazilian regulated (CVM) funds with a diverse range of limited partners including family offices, pension funds, banks and development agencies, from Brazil and abroad. They have offices in São Paulo, Rio de Janeiro, Belo Horizonte, Curitiba and Paris.



COPACABANA HOUSE VENTURES

AUM – Assets Under Management in R\$: 3.000.000,00

Total Invested Companies: 4

Year founded/ initiated operations in Brazil: 2015

Investment Ticket in R\$ (Max/Min): 600.000,00 / 50.000,00

Site: <https://www.copacabanahouse.com.br/>

A globally oriented micro venture capital and consulting firm focused on investing in innovative scalable high-growth technology companies. It focus on investing in innovative scalable high-growth technology companies. It invests in companies that generate impact in the areas of socio-economic development, sustainability, gender equality and diversity, and corporate governance, efficiency and transparency.



CRP COMPANHIA DE PARTICIPAÇÕES

AUM – Assets Under Management in R\$: 400,000,000.00

Total Invested Companies: 25

Year founded/ initiated operations in Brazil: 1981

Investment Ticket in R\$ (Max/Min): 7,000,000.00 / 1,000,000.00

Site: <http://www.crp.com.br/>

CRP is a pioneer in the Private Equity and Venture Capital sectors in Brazil, with over 35 years of experience and 10 funds established. CRP started in 1981 in the city of Porto Alegre, the capital city of Rio Grande do Sul State. The location of CRP gave the Firm an edge in prospecting investment opportunities in the Southern Region of Brazil and also São Paulo State (the region represents 50% of the country GDP), CRP's target region. Throughout its history, 80 investment operations in diversified sectors have been made, besides 50 divestment operations. CRP currently has more than BRL 500 Millions in assets under management and 13 companies in the portfolio, which together result in a total revenue of BRL 2 Billions. CRP is registered in CVM (Brazilian equivalent of the SEC in the US) as administrator and manager of structured investment funds.

DGF INVESTIMENTOS

AUM – Assets Under Management in R\$: 750,000,000.00

Total Invested Companies: 35

Year founded/ initiated operations in Brazil: 2001

Investment Ticket in R\$ (Max/Min): 70,000,000.00 (growth) 10,000,000.00 (venture) / 20,000,000.00 (growth) 2,000,000.00 (venture)

Site: www.dgf.com.br

Since its foundation in 2001, DGF has been investing in companies with high growth potential. The firm manages funds dedicated to early and growth stage companies with a focus on the technology sector, and over the years compiled a track-record of successful investments. In addition to the venture capital and growth funds, DGF is the administrator of a bio-energy fund called Terra Viva.

DOMO INVEST

AUM – Assets Under Management in R\$: 117.020.000,00

Total Invested Companies: 4

Year founded/ initiated operations in Brazil: 2016

Investment Ticket in R\$ (Max/Min): 2.500.000,00 / 1.000.000,00

Site: <http://www.domoinvest.com.br/en/home-en/>

DOMO Invest is an asset management focusing on early stage investments in venture capital in order to finance and help entrepreneurs with their startups to grow and establish in the technology market, not only capitalizing companies but also acting as advisor in areas of their company that require accelerated growth. The partners of DOMO Invest had already performed more than 40 operations of investments and M&A over the last 10 years.

E.BRICKS VENTURES

AUM – Assets Under Management in R\$: 1,000,000,000.00

Total Invested Companies: 16

Year founded/ initiated operations in Brazil: 2013

Investment Ticket in R\$ (Max/Min): early 10,000,00.00 / 1,000,000.00; growth 150,000,000.00 / 50,000,000.00

Site: www.ebricksventures.com

e.Bricks Ventures is a venture capital firm that focuses on early stage internet and mobile technology companies. The firm is part of the traditional Brazilian media Group RBS. With a multi-disciplinary team alongside with a top grade investors and



advisors base, they provide deep local knowledge and strong market connections, which allow e.Bricks to understand complexities and opportunities.

FIR CAPITAL

AUM – Assets Under Management in R\$: R\$183.000.000,00

Total Invested Companies: 9

Year founded/ initiated operations in Brazil: 2001

Investment Ticket in R\$ (Max/Min): N/A

Site: <http://www.fircapital.com/>

FIR Capital was one of the first Brazilian companies to open the capital market. It has deep experience in Participation Funds, Financial Advisory and New Ventures aimed at nascent, emerging and growing companies with great potential for growth. It has managers with business experience and history of complex operations with investors, financial institutions, governments and national, foreign or multilateral companies, which involved more than R \$ 2 billion in transactions.

FUNDO PITANGA

AUM – Assets Under Management in R\$: N/A

Total Invested Companies: 3

Year founded/ initiated operations in Brazil: N/A

Investment Ticket in R\$ (Max/Min): N/A

Site: <http://www.pitangainvest.com.br/en/index.php>

It looks for businesses that aim to address large markets and can capture a significant fraction of these markets in a short time. To achieve these goals the companies must deploy a set of innovations capable of generating a wide competitive advantage. It has no limitations regarding sectors or geographies, however prefers to invest in Brazilian companies or companies that have a significant presence in Brazil.



GROW PLUS VENTURES

AUM – Assets Under Management in R\$: 10.000.000,00

Total Invested Companies: 50+

Year founded/ initiated operations in Brazil: 2015

Investment Ticket in R\$ (Max/Min): 5.000.000,00 / 75.000,00

Site: <http://growplus.com.br/>

Works to allocate resources to existing startups with growth potential, promoting their leverage at different stages of investment - from SEED to EARLY or from EARLY to GROWTH. It seeks to make a combination of investment and operational support.



IDEIAS NET

AUM – Assets Under Management in R\$: 53.5 million*

***as of June 2017**

Total Invested Companies: 3*

***as of June 2017**

year founded/ initiated operations in Brazil: 2000

Investment Ticket in R\$ (Max/Min): N/I

Site: www.ideiasnet.com.br

Ideiasnet S.A. began its operations as an investment company in Internet projects in 2000, the same year it went public on the BM&FBovespa, now B3. The Company was focused on fast-growing technology companies in the areas of E-commerce, Education Tech, Health Tech, Digital Commerce, Digital Media, Software as a Service (SaaS) and Mobility. In 2008, Ideiasnet joined the B3's Novo Mercado. For many years, the Company has positioned itself as a technology venture capital firm in Brazil, actively taking part in all of the development stages of its investees. Ideiasnet was recognized as a benchmark in the industry, synonymous of entrepreneurship with a high level of Corporate Governance. Ideiasnet always worked together with its investees to define and implement business models, growth strategies, and merger and acquisition transactions, actively contributing to their decision-making process through the participation in the Boards of Directors, when installed. In 2009, there was a complete restructuring of the Company's portfolio. Ideiasnet became an accredited manager of investment funds. Its investments were migrated to the investment funds and, as a fund manager, it was able to receive remuneration for such service. Currently, the funds under Ideiasnet's management and control are in divestment phase.

INDICATOR CAPITAL

AUM – Assets Under Management in R\$: N/A

Total Invested Companies: 2

Year founded/ initiated operations in Brazil: 2014

Investment Ticket in R\$ (Max/Min): N/A

Site: <https://indicatorcapital.com/>

Indicator Capital aims to be recognized as “investors for the good” promoting convergence among entrepreneur's dream, venture's success and investor's return by offering effective operational tools, vast network, disruptive vision and hands-on value creation approach.

INSEED INVESTIMENTOS

AUM – Assets Under Management in R\$: 482,500,000.00

Total Invested Companies: 51

Year founded/ initiated operations in Brazil: 2008

Investment Ticket in R\$ (Max/Min): 10,000,000.00 / 2,500,000.00

Site: www.inseed.com.br

Inseed is a spin-off from Instituto Inovação, a Brazilian group operating for the past 12 years in training, monitoring and managing innovation through technological development, in partnership with research centers and governmental agencies in Brazil and abroad. They comprise 40 companies in their portfolio. With a base of family offices and pension funds, they closed on the FIP Inseed FIMA, which focuses on environmental innovation deals.

INVEST TECH

AUM – Assets Under Management in R\$: 220.000.000,00

Total Invested Companies: 13

Year founded/ initiated operations in Brazil: 2004

Investment Ticket in R\$ (Max/Min): 50.000.000,00 / 10.000.000,00

Site: <http://www.investtech.com.br/?lang=en>

Invest Tech is an investment firm focused on Venture Capital and Private Equity. The firm's team has over 20 years of experience in mergers, acquisitions and fund raising transactions and in investing and managing IT and Telecommunications companies. Invest Tech seeks to maximize companies and entrepreneurs' businesses values in order for these companies to foster a more solid and dynamic economically society.





KASZEK VENTURES

AUM – Assets Under Management in US\$: 430.000.000,00

Total Invested Companies: 39

Year founded/ initiated operations in Brazil: 2011

Investment Ticket in R\$ (Max/Min): 16,000,000.00 / 4,000,000.00

Site: www.kaszek.com

Kaszek Ventures is a venture capital firm that partners with exceptional entrepreneurs to build lasting, high-impact technology-based companies whose main focus is Latin America. In addition to capital, Kaszek offers significant strategic guidance, hands-on operational support and access to local and international networks. Kaszek Ventures was founded in 2011 by Nicolas Szekasy (MercadoLibre's former CFO) and Hernan Kazah, (MercadoLibre's co-founder and former COO/CFO) and has formed a great team of experienced industry experts to select and support the best start-ups in the region.

Kaszek Ventures has set up two investment funds, KV-I for 95 million dollars and KV-II for 135 million dollars, and made investments in 41 companies with headquarters in six countries. Kaszek Ventures portfolio includes VivaReal, Nubank, DrConsulta, Netshoes, BelezaNaWeb, OpenEnglish, QuintoAndar, Restorando, GuiaBolso, GetNinjas, Technysis, Oqvestir, MadeiraMadeira, PetLove, ComparaOnline, Pitzzi, GoIntegro, SaferTaxi, Kekanto, Nubeliu, Dress&Go, DogHero Contabilizei, NetCom, Konfio, BankFacil and Zup.

Eventioz, acquired by Eventbrite in September 2013, PedidosYa, acquired by DeliveryHero in June 2014, Eotica, acquired by Essilor in December 2015, and LoveMondays, acquired by Glassdoor in September 2016, were also part of Kaszek Ventures' portfolio.

KICK VENTURES

AUM – Assets Under Management in R\$: N/A

Total Invested Companies: 74

Year founded/ initiated operations in Brazil: 2010

Investment Ticket in R\$ (Max/Min): From 100k up to 10MM

Site: <http://www.kickgrupo.com.br/>

Currently has a portfolio of more than 70 Startups invested and developed, more than 800 employees by the holding company in 6 different countries (Brazil, Israel, USA, Chile, China and Estonia) covering 16 cities besides the experience of over 25 huge Corporate Ventures and Innovation projects integrating and connecting the strategy of large companies with the Startups ecosystem. In 2008, it was founded with innovative DNA in the area of Information Technology, serving more than 190 large clients throughout Brazil and expressive international partnerships.

KOOLEN & PARTNERS

AUM – Assets Under Management in R\$: 25,000,000.00

Total Invested Companies: 12

Year founded/ initiated operations in Brazil: 2014

Investment Ticket in R\$ (Max/Min): 3,000,000.00 / 1,500,000.00

Site: www.koolen.com.br

Koolen & Partners is a recently formed venture capital focused on Internet startups. Their team brings industry expertise from Buscapé, a Latin American leader in price comparison and Booking.com from Kees Koolen, former CEO of the online booking agency. The firm has invested in 12 companies through proprietary resources and will soon launch a new fund. Their business model includes injecting capital, helping in the outlining of the management and planning strategies, but does not include getting involved in the day-to-day management. Their target is to invest in business models that work in Brazil and can be replicated worldwide.

MINDSET VENTURES

AUM – Assets Under Management:

R\$ 40,000,000.00



Total Invested Companies: 18
Year founded: 2016
Investment Ticket (Max/Min): R\$ 3,000,000 / R\$ 750,000
Site: www.mindset.ventures

Mindset Ventures is a Seed VC firm based in Silicon Valley, Tel-Aviv and Brazil, supporting entrepreneurs in their growth. Global partner of Microsoft Accelerators.

MONASHEES

AUM – Assets Under Management in R\$: 916,000,000.00
Total Invested Companies: 67
Year founded/ initiated operations in Brazil: 2005
Investment Ticket in R\$ (Max/Min): 5,000,000.00 / 500,000.00
Site: www.monashees.com.br

Monashees Capital is a venture capital firm focused on internet and education. Their business model, tailored to the Brazilian environment, is based on long-term vision, autonomy, agility and engagement in the companies in which they invest. Their “bet” is on the jockey not on the horse. They collaborate with high-impact entrepreneurs to build great companies, which in return leverage from this collective experience, knowledge and network to round out their teams, set the strategy, go to market and plan additional financing rounds.

MOV INVESTIMENTOS

AUM – Assets Under Management in R\$: 96,500,000.00
Total Invested Companies: 8
Year founded/ initiated operations in Brazil: 2012
Investment Ticket in R\$ (Max/Min): 20,000,000.00 / 2,000,000.00
Site: <http://movinvestimentos.com.br/en/>

Mov’s mission is to invest in and co-create innovative companies that generate opportunities to vulnerable populations and/or promote sustainable use of natural resources. We aim to be a relevant and inspiring agent in the process of transitioning into a more harmonious and balanced living.



MSW CAPITAL

AUM – Assets Under Management in R\$: 20,000,000.00
Total Invested Companies: 70
Year founded/ initiated operations in Brazil: 2000
Investment Ticket in R\$ (Max/Min): 50,000.00 / 3,000,000.00
Site: www.mswcapital.com.br

MSW CAPITAL is a Venture Capital and Advisory company with its roots in M&A and Education, and a consistent track record towards empowering entrepreneurs in the development and growth of their companies. MSW is the Manager of Brazil Aceleradora de Startups, a unique Multi Corporate Venture Seed Fund idealized by Microsoft and positioned as an impulse agent for innovative technology-based startups, leveraging on the expertise and global access of its shareholders, large corporations and other agents, interested in fostering entrepreneurship and open innovation in Brazil. The fund’s areas of interest are those linked with the shareholders’ experience: Cloud, Mobility, IOT, Big Data, Agritech, EduTech, FinTech, Digital Health, Cleantech, Smart Cities and Industrial Productivity.



ORIA CAPITAL

AUM – Assets Under Management in R\$: 270,000,000.00
Total Invested Companies: 9



Year founded/ initiated operations in Brazil: 2009

Investment Ticket in R\$ (Max/Min): 50,000,000.00 / 10,000,000.00

Site: <https://www.oriacapital.com.br/en/>

Oria Capital specializes in intelligent capital. In addition to financing entrepreneurs, it aims to provide knowledge in organizations to support their growth. It is specialized in information technology companies.

PERFORMA INVESTIMENTOS

AUM – Assets Under Management in R\$: 120,000,000.00

Total Invested Companies: 9

Year founded/ initiated operations in Brazil: 2004

Investment Ticket in R\$ (Max/Min): 30,000,000.00 / 500,000.00

Site: www.performainvestimentos.com

A Brazilian venture capital and private equity firm with headquarters in São Paulo and New York. With different backgrounds, origins, cultures and experiences. The partners hold a unique background experience and are well prepared to predict and keep up with global trends. As part of their activities, they support several Accelerators in Brazil, Chile, and the United States.

Currently, they manage Performa SC-I and Brazilian Sustainable Technology Fund. The first has been operating since 2008. It searches for companies with revenues up to 3.6 million Brazilian reais and great prominence in the fields of information technology (IT), health, biotechnology and nanotechnology. While the second is an initiative of the Innovation and Environment Fund Program of BNDES, seeking companies with revenues up to 80 million Brazilian reais, that offer technological solutions on effluent treatment, energy efficiency, green chemistry and solid waste management. They conduct growth and Series A and B investments, in addition to making co-investments with other funds that share the same investment culture.

PORTBANK PRIVATE EQUITY

AUM – Assets Under Management in R\$: 151.000.000,00

Total Invested Companies: 8

Year founded/ initiated operations in Brazil: 2009

Investment Ticket in R\$ (Max/Min): 2,000,000.00 / 30,000,000.00

Site: <http://www.portcapital.com.br/>

Portcapital was founded in 2009 by former partners and executives of investment banks, multinationals and consultancies with extensive experience in the financial market. Over the past 20 years, Portcapital partners have executed more than 40 operations with a total value exceeding R \$ 20 billion. Portcapital has already carried out 13 mergers and acquisitions and capitalization operations in an amount in excess of R \$ 5 billion. Portcapital operates with Private Equity Funds Management and Advisory. Currently Port Capital manages EMBRAER'S AeroSpacial Fund.

REDPOINT E.VENTURES

AUM – Assets Under Management in US\$: 130,000,000.00

Total Invested Companies: 27

Year founded/ initiated operations in Brazil: 2012

Investment Ticket in US\$ (Max/Min): 12,000,000.00 / 2,000,000.00

Site: www.rpev.com.br

Redpoint e.Ventures is an early stage venture capital firm focused on the internet. They are the first and only Silicon Valley presence on the ground in Brazil, and have a dedicated fund and team based in São Paulo. Their goal is to provide entrepreneurs with the capital, know-how and network to create and grow the next success stories in Latin American internet.

They work with Redpoint Ventures and e.ventures, partner funds from Silicon Valley, as well as a global network of sister funds in China, Russia, Germany and Japan. Their partners have been entrepreneurs and executives, and can closely relate to the work and challenges of the portfolio companies.



SP VENTURES

AUM – Assets Under Management in R\$: 109,000,000.00

Total Invested Companies: 19

Year founded/ initiated operations in Brazil: 2007

Investment Ticket in R\$ (Max/Min): 6,250,000.00 / 1,000,000.00

Site: www.spventures.com.br

SP Ventures invests in recognized innovative companies with very high growth potential in the short term. Their target sectors are agritech, health technologies, new materials, nanotech, and information & communication technologies with corporate focus. They search for technically distinct entrepreneurs with good management skills, scalable solutions with a strong technology base, large local market, headquarters in the city of São Paulo and revenues lower than R\$ 18 million/year.

Their added value comes from providing access to a wide network of business contacts and by offering a distinctive management model, overseen by market experts. They have been working very closely with the BNDES' Criatec Fund since its creation.

TOTVS VENTURES

AUM – Assets Under Management in R\$: N/A

Total Invested Companies: N/A

Year founded/ initiated operations in Brazil: N/A

Investment Ticket in R\$ (Max/Min): N/A

Site: <http://ventures.totvs.com/en/>

The objective of TOTVS|Ventures is to invest in high potential companies that know how to make the most of the potential synergies of the TOTVS ecosystem.

As shareholders, the firm aim to add value to the invested company, by contributing to its growth, profitability and efficiency. It promotes several kinds of partnerships within the TOTVS Group, from networking to integration with its products and channels, leveraging the global potential.

Therefore, it strives to build robust companies until they are ready to face new growth cycles, brought forward by events such as IPOs, M&A or further financing.

TRIAxis CAPITAL

AUM – Assets Under Management in R\$: 186,000,000.00

Total Invested Companies: 28

Year founded/ initiated operations in Brazil: 2012

Investment Ticket in R\$ (Max/Min): 6,000,000.00 / N/A

Site: www.triaxiscapital.com

Triaxis Capital is an independent investment manager specialized in Venture Capital focused on long-term investments in innovative privately held companies with high return potential. Triaxis was founded in 2012 through the association of regional managers of the Criatec I Fund in the states of Minas Gerais, Santa Catarina and Pernambuco. Since 2013, in partnership with Bozano Investments, they co-manage the Criatec II Fund, which has R\$ 186 million under management.

Criatec II is the second fund from CRIATEC, a program created by the BNDES in 2006, with the objective of supporting newborn and innovative companies. Its goals are to invest in approximately 36 companies with annual net sales up to R\$ 10 million. Each company will receive investments of up to R\$ 6 million. The target sectors are information and communication technology (ICT), agribusiness, nanotechnology, biotechnology and new materials.



TRINDADE INVESTIMENTOS

AUM – Assets Under Management in R\$: 34,000,000.00

Total Invested Companies: 4

Year founded/ initiated operations in Brazil: 2010

Investment Ticket in R\$ (Max/Min): 10,000,000.00 / 100,000.00

Site: www.trindadeinvestimentos.com.br

Trindade Investimentos looks for entrepreneurs with a clear business perspective and with products and services focused on the Brazilian market in any sector where the use of technology can make a difference. They focus on early stage startups, preferably with a validated model, KPIs that confirm their performance and with a proved value proposition.

VOX CAPITAL

AUM – Assets Under Management in R\$: 113.350.000

Total Invested Companies: 20

Year founded/ initiated operations in Brazil: 2009

Investment Ticket in R\$ (Max/Min): R\$ 3,000,000.00 – 15,000,000.00

Site: <http://www.voxcapital.com.br>

Vox Capital is Brazil's first impact investing firm, focused on innovative and groundbreaking businesses serving the Brazilian low-income population (80%) with the potential to deliver solutions for real problems. They aim at promoting scalability, deep social impact and attractive financial returns. Vox aims to improve the people's living standards and focuses on sectors with a more direct impact on people living in urban poverty, such as education, health, housing, financial services and employment. They helped to launch NextBillion Brazil and the Brazilian chapter for ANDE (Aspen Network of Development Entrepreneurs).

For the past three consecutive years, Vox was selected as one of the most relevant impact investment companies in the World (Impact Assets 50). They are a GIIRS pioneer fund (GIIRS Ratings are the gold standard for impact measurement in impact investing), having received the Inter-American Development Bank's 'Beyond Banking' award for the most socially responsible/ impact investment in Latin America in 2014.

SCIENCE PARKS: INNOVATION DYNAMOS IN BRAZIL

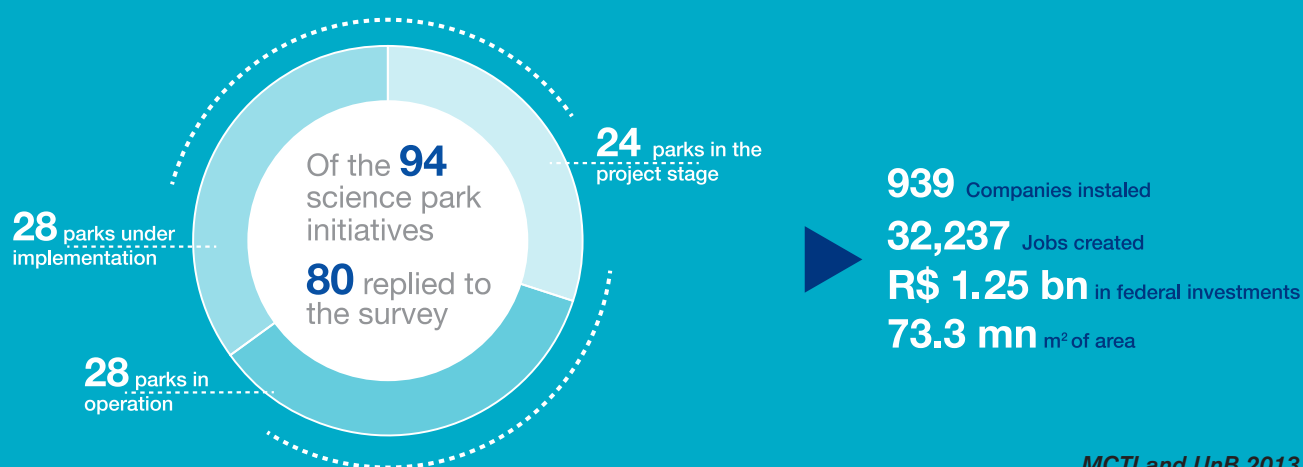
In the 1980s, the Science Parks Implementation Program (Programa de Implantação de Parques de Tecnologia) emerged in Brazil, consolidating the Science Parks and the Business Incubators in the country; these environments are the main sources to qualify and create companies characterized by the strong use of technology and innovation in their products, processes and services.

In addition to being a systematic source of enterprise generation, Science Parks guide their growth environments in two dimensions: one spatial, and the

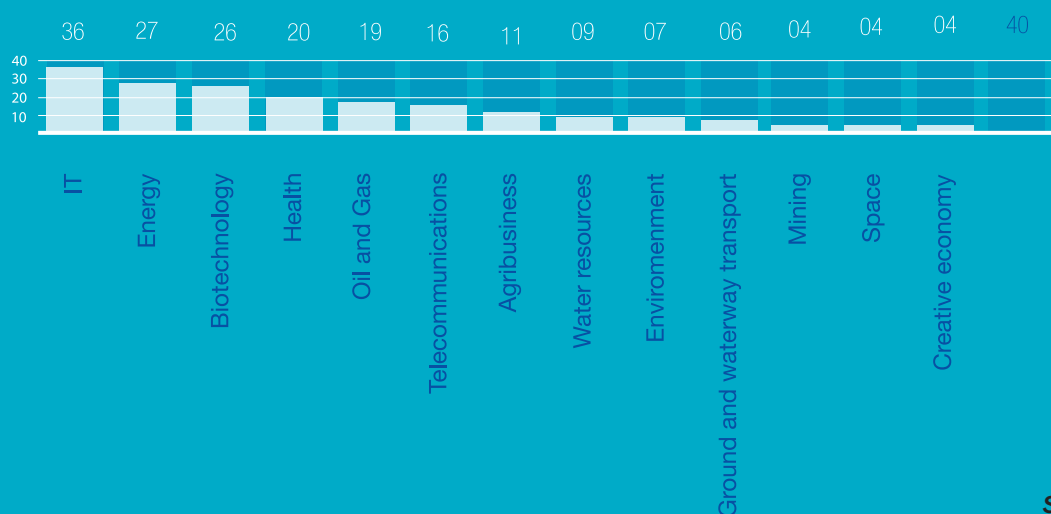
other behavioral. While the latter seeks to provide more interaction between the players, aiming at social learning and the ability to develop and implement common projects, the former relates to the concern that S&T activities are concentrated in urban spaces.

Both dimensions are very important to consolidate and strengthen these environments, increasingly contributing to regional development.

According to the latest survey from the Ministry of Science, Technology, Innovation and Communications (MCTIC), Brazil has more than 90 Science Parks.



SCIENCE PARKS IN BRAZIL – MAIN AREAS OF ACTIVITY



Source: CDT/UnB 2013

Below, we have listed Brazil's main operational science and technology parks:

NORTH REGION



GUAMÁ SCIENCE AND TECHNOLOGY PARK

Belém, Pará

<http://pctguama.org.br/>

Contact person: Antônio Jorge Gomes Abelém – President

Phone: +55 91 33218900

E-mail: dip@fundacaoguama.org.br or ascom@fundacaoguama.org.br

Operating since: April 2010

Jobs: 200

Total area: 720,000 m²

Resident companies : Large - 1 | Small and medium - 5 | Labs and others - 12

Available spaces: Plots of land | Multi-tenant building | Business Incubator | Co-working

Large Companies: Vale (Brazil)

Main Sectors: Biotechnology, Information and Communication Technology (ICT), mineral technology, energy and environmental technology.

Highlights

Located in Belém, the capital of Pará state, the Guamá STP was designed to become an important environment to support the creation and consolidation of technology-focused companies, acting as a crucial element to attract strategic companies to the state. In addition, it contributes to streamline the productive chains of the region's main economic sectors through innovation.

The Park's location is a strong driver for investments: Pará has rich biodiversity (Amazon Rainforest) and huge potential for mineral exploration (iron, bauxite, manganese, limestone, gold, tin), agriculture, livestock, industry and tourism. Therefore, the Guamá STP attracts companies acting in a sustainable and innovative ways to develop solutions, products and processes that use the region's natural resources. Guamá is the first science park operating in the Amazon, located between two large Science and Technology institutions: the Federal University of Pará (UFPA) and the Federal Rural University of the Amazon (UFRA).

NORTHEAST REGION



PORTO DIGITAL TECHNOLOGY PARK

Recife, Pernambuco

<http://www.portodigital.org/home> (pt)

Contact person: Carla Costa – Cooperation and Market Advisor

e-mail: carla@portodigital.org

Phone: +55 81 3419-8057

Operating since: December 2000

Jobs: 8,500

Total area: 1,819,419 m² | Recife: 1,810,000 m² | Caruaru: 1,775 m² | Petrolina: 1,644 m²

Resident companies : Large - 12 | Small and medium - 215 | Labs and others - 22

Available spaces: Business Accelerator | Multi-tenant building | Business Incubator | Co-working | Softlanding services offered

Large companies: Accenture (USA), Avandia Tecnologia (Brazil), BRQ Soluções em Informática (Brazil), Central IT (Brazil), HPS (France), IBM (USA), Ivia (Brazil), Kurier (Brazil), MV Sistemas (Brazil), Neurotech (Brazil), Pitang (Brazil), Procenge (Brazil), Provider (Brazil), Safetec (Brazil), Seg sat (Brazil), Serttel, Stefanini Consultoria (Brazil), Tempest Security Technologies (Brazil), Vectra (Brazil).

Special Labs: C.E.S.A.R (ICTs), Portomídia Laboratory (multimedia), L.O.U.Co (IoT), Armazém da

Criatividade (Creativity Warehouse).

Main sectors: Multisector park focused on ICT and creative economy, particularly in the segments of games, movie-video-animation, music, design and photography. The Park also includes energy, health and urban mobility companies.

Highlights

Porto Digital acts as a facilitator resource and company channel in order to simplify the relationship between the public and private sphere. Porto Digital gives access to public institutions, provides guidance regarding the bureaucratic procedures for the operation/installation, suggests suppliers for human resources selection and training, and financial services, among others.

In 2007, 2011 and 2015, the Brazilian Association of Science Parks and Business Incubators (Anprotec) ranked Porto Digital as Brazil's best technological park/innovation environment. A unique feature differentiates it from most Brazilian technology parks: it is an urban park, installed in the historic district of Recife Antigo and in the districts of Santo Amaro, Santo Antônio and São José. In these locations, the Park has an area of approximately 1,810,000 m², which has been redesigned with the installation and consolidation of new ventures.

Recife stands out for its technological vocation and broad network of cultural and recreational equipment – it is the first gastronomic hub in the Northeast and the third in Brazil. The metropolitan region hosts the Suape Port and Industrial Complex and the Atlântico Sul Shipyard (the largest in the southern hemisphere), among other ventures. Adjacent to the region, in the city of Goiana, there is a pharmaceutical hub, in addition to an automotive hub, anchored by the Fiat Chrysler Automobiles Group plant.

In order to expand its operations, Porto Digital started moving towards the state's inland, focusing on the two major cities in Pernambuco's countryside: Caruaru, where Armazém da Criatividade is already operating, and Petrolina, which will soon host another Armazém da Criatividade.



PARAÍBA SCIENCE PARK

Campina Grande, Paraíba

www.paqtc.org.br (pt)

Contact person: Francilene Procópio Garcia

e-mail: garcia@paqtc.org.br

Phone: +55 83 2101 9025

Operating since: December 1984

Jobs: 548

Total area: 75,000 m²

Resident companies : Large - 1 | Small and medium - 54 | Labs and others - 11

Available spaces: Plots of land | Multi-tenant building | Business Incubator | Co-working

| Soft landing services offered

Large company: Virtus R&D Center (Brazil)

Special Labs: Embedded Software Laboratory, Distributed Computing Laboratory, Smart Cities Laboratory, Quantum Computing Laboratory, Human Machine Interface Laboratory, SPLabs, LABDES – desalination processes, CERTBIO – Biomaterials with applications in health, CERNe - Renewable energy and energy efficiency, CEPIS – clean technology applications, NUTES – strategic technologies for health, including additional manufacturing.

Main sectors: communications and information technology, materials engineering, biotechnology, health, energy and agribusiness.

Highlights

Campina Grande stands out as an area that favors innovation, particularly due to the presence of skilled human capital. The city receives approximately 50,000 undergraduate students enrolled in 16 higher education institutions, in addition to 3,500 students in vocational courses and 2,700 graduate students, linked to 67 graduate programs. As a result, Campina Grande has one person with a PhD degree for every 669 inhabitants – an important input for the support and competitiveness of the local innovation ecosystem.

In this scenario, the Paraíba Science Park is the key agent to strengthen the innovation ecosystem. A good example is the Center for Innovation and Technology Telmo Araújo (CITTA), which gathers companies, state government agencies, investors, universities and research institutes. Benefiting from the wide range of national and international connections offered by the Park, the enterprises installed in the environment have access to incentives for the promotion of innovative businesses, such as tax reductions, access to flexible credit granting mechanisms and investor relations.

SOUTHEAST REGION



TECHNOLOGY PARK OF BELO HORIZONTE

Belo Horizonte, Minas Gerais

<http://bhtec.org.br/en/>

Contact person:: Ronaldo Pena

E-mail: diretoria@bhtec.org.br

Phone: +55 31 3401-1000

Operating since: May 2012

Jobs: 647

Total area: 535,008 m²

Resident companies : Small and medium - 18 | Labs and others - 4

Available spaces: Plots of land | Multi-tenant building | Soft landing services offered |

Build, operate and transfer (BOT)

Special Labs: Web Technology Center, Carbon Nanotubes Technology Center and Vaccine Technology Center.

Main sectors: Multi-sector with strong vocations in Information and Communication Technology (ICT) and biotechnology. Additionally, it includes advanced material, industrial automation, advisory and management, environment, engineering and electronics, and intellectual property management companies.

Highlights

With a population of 2.5 million (IBGE, 2015), Belo Horizonte has an economy based on services, with a significant technology-focused vocation, especially in the Information and Communication Technology (ICT), life sciences, automation and new material areas, which are sectors of excellence at the Federal University of Minas Gerais (UFMG) – the Park's and the state's main science anchor. BH-TEC is located in the Pampulha region, next to UFMG's campus, in the municipality's growth vector, near local airports and 15 minutes from downtown.

The innovation ecosystem in Belo Horizonte is rapidly consolidating due to the operation of five technology-based incubators, reference research centers, universities of excellence, business accelerators accredited by the Startup Brasil program and venture capital funds. In this context, BH-TEC operates as an articulator of the local ecosystem and maintains key partners in its governance structure. BH-TEC companies also have easy access to credit facilities with the Development Bank of Minas Gerais (BDMG) and the Brazilian Development Bank (BNDES). The presence of different size companies, especially SMEs, and the physical and institutional proximity to UFMG are a strong appeal to companies seeking technological partnerships within the open-innovation framework.



UBERABA TECHNOLOGY PARK

Uberaba, Minas Gerais

www.parquetecnologicouberaba.com.br

Contact person: Raquel Resende – Manager of the Park

E-mail: contato@parquetecnologicouberaba.com.br

Phone: +55 34 3318-0506 / 3318 7401 / 3317 6468

Operating since: April 2013

Jobs: 1,647

Total area: 1,600,000 m²

Resident companies : Large - 1 (under construction) | Small and medium - 1 (operating) | Labs and others - 94

Available spaces: Plots of land | Multi-tenant building | Soft landing services offered |

Business Incubator | Co-working

Large company: Bioanalisis (Brazil).

Special Labs: Epamig's and Embrapa's Research Center and Center for Environmental Technologies, and the laboratories of Universidade Federal do Triângulo Mineiro and Instituto Federal do Triângulo Mineiro.

Main sectors: Multisector park, focusing on biotechnology, ICT, chemicals, health and agribusiness.

Highlights

Uberaba has nine public and private higher education institutions. In addition, the city, located in the Triângulo Mineiro region, has four industrial districts: three state districts and one municipal district, with a total area of approximately 23 million square meters. The districts are home to small, medium and large companies, operating in different areas, such as furniture, textiles, food, fertilizers, leather, metallurgy, electricity, irrigation systems, marble and granite.

The Uberaba Technology Park offers privileged conditions for the installation and operation of companies, educational institutions and technology-based industries. The innovation environment, which hosts major universities and research centers in the region, is close to the large companies from the industrial districts. It has approximately 10 million square meters of surrounding preserved green area, the experimental fields of Epamig/Embrapa, universities and colleges.



TECNOPARQ – VIÇOSA'S TECHNOLOGICAL PARK

Viçosa, Minas Gerais

<http://www.centev.ufv.br/tecnoparq/en-US/>

Contact person: Rodrigo Garcia Vilela – Coordinator

E-mail: rodrigo.vilela@ufv.br

Phone: +55 31 3899-3133

Operating since: April 2011

Jobs: 80

Total area: 2,150,000 m²

Resident companies : Small and medium - 9 | Labs and others - 1

Available spaces: Plots of land | Multi-tenant building | Soft landing services offered | Business Incubator | Co-working

Special Labs: Molecular Biology and Biochemical Analysis Laboratory.

Main sectors: agribusiness and biotechnology are the focus of operation for the companies installed and incubated at TecnoPARQ.

Differentials

The city of Viçosa, Minas Gerais state, where tecnOPARQ is installed, is primarily dedicated to education, but also considered to be an innovation hub in the agribusiness and biotechnology sectors. The city has approximately 77,000 inhabitants, average HDI of 0.775 and is located 228 km from the capital city of Minas Gerais, Belo Horizonte. The vast majority of the companies in Viçosa are associated with the Local Biotechnology and Agribusiness Productive Arrangements.

TecnoPARQ expects to have a stronger impact on the local economy in the next five years, with the creation of a high number of jobs, more companies and increased tax collection. It is currently consolidating its programs and projects, including in the social area with the urbanization of leisure areas that can effectively attract and engage the community at the Park. Our lot assignment model is not onerous, allowing companies to focus their investments exclusively on the construction of their premises.



UFRJ SCIENCE PARK

Rio de Janeiro, Rio de Janeiro

<http://www.parque.ufrj.br>

Contact person: José Carlos Pinto - CEO

E-mail: pinto@parque.ufrj.br

Phone: +55 21 3733-1969

Operating since: April 2003

Jobs: 1,647

Total area: 350,000 m²

Resident companies : Large - 13 | Small and medium - 8 SMEs and 26 startups | Labs and others - 7

Available spaces: Plots of land | Multi-tenant building | Business Incubator | Co-working



Large companies: Ambev (Brazil), Baker Hughes (USA), BG (England), BR Distribuidora (Brazil), EMC Corporation (USA), FMC Technologies (USA), GE (USA), Halliburton (USA), L'Oréal (France), Schlumberger (USA), Siemens (Germany), Tenaris Confab (Brazil) and Vallourec (France).

Special Labs: Fundo Verde, Lab Oceano, LAMCE, Embrapii COPPE, Brazilian Climate Change Panel, NEO and Center of Excellence in Natural Gas.

Main sectors: The Technology Park of the Federal University of Rio de Janeiro (UFRJ) is a multisector project. Currently, the main sectors represented by resident companies are: energy, environment, ICT, and health.

Highlights

In 2015, the Federal University of Rio de Janeiro (UFRJ) was listed in the QS World University Rankings as Brazil's best federal university, the country's third best university, the fifth among Latin American institutions and the 25th best university institution from the BRICS and other developing countries.

Located on the University City Island, UFRJ Science Park's mission is to create an environment of cooperation between the entrepreneurial initiative and the academic community, and encourage the creation of innovative companies. Since it was founded, the investments in the Park reached more than R\$1 billion, creating a robust innovation and entrepreneurship ecosystem.

Rio de Janeiro, with a population of 6.3 million inhabitants, is the second most populous city in Brazil. Being a good host is a tradition in Rio. Rio de Janeiro state was the destination chosen by two in every five foreigners who received authorization to work in Brazil between 2006 and 2013. New investors find an extremely positive business environment, with high availability of talented professionals, quality of life and a cosmopolitan city, with great natural beauty and strong international connections.

TECHNOLOGICAL PARK SÃO JOSÉ DOS CAMPOS

São José dos Campos, São Paulo

<http://www.pqtec.org.br/en/>

Contact person: Rubia Muttini - Communications Officer

E-mail: rubia.muttini@pqtec.org.br

Phone: +55 12 3878-9532

Operating since: May 2009

Jobs: 1,500

Total area: 188,000 sq.m.

Resident companies : Large - 8 | Small and medium - 43 | Labs and others - 5 |

Startups - 20

Available spaces: Plots of land | Multi-tenant building | Soft landing services offered |

Post-incubation | Events area | Business Incubator | Co-working | Business Center

Large companies: Ericsson (Sweden), Embraer (Brazil), Boeing (USA), Airbus (France), Stefanini (Brazil), Visiona Tecnologia Espacial (Brazil), Atech (Brazil), Akaer (Brazil).

Special Labs: Light Structure Laboratory, Simulation and Critical Systems Laboratory and Advanced Manufacturing Development Center (in operation). Electromagnetic Compatibility and Interference Laboratory, Digital Manufacturing and Virtual Prototyping Laboratory (under construction).

Main sectors: Multi-sector, focused on the aerospace, defense, health, Information and Communication Technology (ICT), automotive and georeferencing areas (GIS).

Highlights

The São José dos Campos Technological Park is located in a region with over two million inhabitants. The city, in the interior of São Paulo State, has remarkable economic and technological development and offers a dynamic business environment. In addition to a solid complex of industries, businesses and services, including companies such as Embraer, Monsanto, Ericsson, Petrobras, Johnson&Johnson, Panasonic and GM, it is worth noting the research centers and top-class universities, such as the Aeronautics Institute of Technology (ITA) and the National Institute for Space Research (INPE), which form highly-qualified human capital.

The synergy and innovation environment has over 20 incubated startups and 43 SMEs, in addition to eight large corporates. To contribute to its development, the Park uses a specific monitoring methodology for the different stages of a business, from pre-incubation, product or service development and market access, to the consolidation and growth of enterprises in the business centers. This monitoring helps companies to become more competitive and better prepared to receive seed money and venture capital investments.

Considering the associated network of local production arrangements (APLs), the Park has over 300 member and/or resident companies, which ranks it as one of Brazil's largest research, innovation and entrepreneurship centers.



UNICAMP SCIENCE AND TECHNOLOGY PARK

Campinas, São Paulo

<http://www.inova.unicamp.br/parque-cientifico-e-tecnologico/>

Contact person: Eduardo Gurgel do Amaral – Director

E-mail: gurgel@nova.unicamp.br

Phone: +55 19 3521-2619

Operating since: March 2013

Jobs: 220

Total area: 350,000 m²

Resident companies : Large - 3 | Small and medium - 19 | Labs and others -

Available spaces: Plots of land | Multi-tenant building | Soft landing services offered | Business Incubator

Large companies: Lenovo/Eldorado/Motorola, IBM (USA) and Samsung (South Korea).

Main sectors: Multi-sector. It currently has companies from the Information and Communication Technology (ICT), oil and gas, chemical, digital marketing, health and well-being, cosmetic and biotechnology areas.

Highlights

Campinas is Brazil's fourth largest financial center and home to the country's third largest industrial park. The city, responsible for 15% of the country's scientific production, has 45 higher education institutions. Located less than 100 km from São Paulo, Campinas is crossed by five of Brazil's main highways and home to Viracopos International Airport, the largest airport in Brazil in terms of cargo transportation.

The Science Park is located at the campus of the University of Campinas (Unicamp) and strengthens the synergy of partner companies with professors, researchers, students and employees. Unicamp is known for its excellence in education, research and innovation. It is among Brazil's five most prominent universities and was ranked 17th among the 50 younger institutions in the world, according to the Quacquarelli Symonds (QS) ranking of universities less than 50 years old (QS Top 50 Under 50).



PARQUE TECNOLÓGICO DE SOROCABA
Alexandre Baldo Pátta

SOROCABA TECHNOLOGY PARK

Sorocaba, São Paulo

Website: www.invasorocaba.org.br (pt)

Contact person: Rodrigo Mendes

E-mail: rodrigo.mendes@invasorocaba.org.br

Phone: +55 15 3416-6163

Operating since: April 2012

Jobs: 150

Total area: 1,817,048 m².

Resident companies : Large - 4 | Small and medium - 27 | Labs and others - 8

Available spaces: Plots of land | Multi-tenant building | Soft landing services offered | Business Incubator | Bardella

Large companies: Scania (Sweden), Bardella (Brazil) and FLEX (USA).

Special Labs: C.E.S.A.R. (Brazil), FIT (Brazil), IQA (Brazil).

Main sectors: Multi-sector, focused on renewable energy, electronics, Information and Communication Technology (ICT), life sciences, automotive industry and chemistry.

Highlights

Located 90 km from São Paulo, Sorocaba is known for its diversified industrial conglomerate, with more than 1,900 manufacturing companies operating in 20 segments, in addition to 40,000 commercial enterprises and service providers. With 200 exporting companies, the industrial production of the region reaches over 120 countries. The main sectors of the conglomerate are: automotive, renewable energy, electronics, Information and Communication Technology (ICT), machinery and equipment, food, drug and chemical.

The Sorocaba Technology Park seeks companies interested in settling in the city, in addition to investor partners for real estate development and urbanization of available areas.



SÃO JOSÉ DO RIO PRETO TECHNOLOGY PARK

São José do Rio Preto, São Paulo
www.parquetecnologico.riopreto.sp.gov.br
Contact person: Milton Faria de Assis Júnior
E-mail: smplan@riopreto.sp.gov.br
Phone: +55 17 3203.1230

Operating since: September 2016

Jobs: 97

Total area: 668,364 m²

Resident companies : Small and medium - 18 | Labs and others -

Available spaces: Plots of land | Multi-tenant building | Business Incubator | Co-working

Main sectors: biotechnology, health, Information and Communication Technology (ICT), chemistry, design and agribusiness.

Highlights

São José do Rio Preto is located northwest of São Paulo, a region that comprises more than 100 municipalities, with a population of approximately 1.5 million. The city is located 438 km from São Paulo and is a reference in terms of health services and technology. The São José do Rio Preto Technology Park aims to strengthen relations between the local universities and the region's productive sector, providing a link between researchers and entrepreneurs, leading to innovation and technological development.



ECOTEC

São Carlos, São Paulo
<http://institutoinova.org.br/parque-ecotec-damha/>
Contact person: Bruna Maira Boa Sorte
E-mail: brunasorte@institutoinova.org.br
Phone: +55 16 3413-0799

Operating since: June 2013

Jobs: 25

Total area: 1,000,000 m²

Resident companies : Small and medium - 3 | Labs and others - 1

Available spaces: Plots of land | Multi-tenant building | Co-working

Special Labs: São Carlos Science, Innovation and Technology Health Center (CITESC).

Main sectors: Multi-sector, focused on health, Information and Communication Technology (ICT), automation, materials and design, environment, advisory and engineering services.

Highlights

The São Carlos innovation ecosystem reflects the high concentration of universities, research centers, qualified human resources, technology-based companies and a strong network of logistics support. According to the city government, the city has one person holding a Ph.D. for each 180 inhabitants – in Brazil this ratio corresponds to one Ph.D. for each 5,423 inhabitants. São Carlos has 39 undergraduate courses and 200 high-tech companies in sectors such as optics, new materials and instrumentation. São Carlos has three large universities: University of São Paulo (USP), São Carlos Federal University (UFSCar) and University Center of São Paulo (UNICEP).

The Ecotec Damha Park, managed by the Inova Institute, is the first private science park in Brazil and the first to use a third-generation model, which combines housing, work and leisure in the same environment. In this context, the Inova Institute builds a wide network of contacts in new businesses, venture capital and research and development (R&D).

SOUTH REGION



SAPIENS PARK

Florianópolis, Santa Catarina
<http://www.pqtec.org.br/en/>
Contact person: José Eduardo Azevedo Fiates – Managing Officer
E-mail: - jef@sapiensparque.com.br
Phone: +55 48 3239-2150

Operating since: April 2003

Jobs: 300

Total area: 4,315,680 m²

Resident companies : Large - 3 | Small and medium - 21 | Labs and others - 3

Available spaces: Plots of land | Multi-tenant building | Soft landing services offered

Large companies: Softplan (Brazil), Ipsen (France) and SESI/SENAI (Brazil).

Special Labs: Innovation Center in Pre-clinical Trials; InPetro – Institute for Research in energy, oil and gas (Federal University of Santa Catarina (UFSC)/Petrobras), and Solar LAB – Solar Energy Research Center (Federal University of Santa Catarina).

Main sectors: Multisector Park focusing on biotechnology and life sciences, ICT, mechatronics, energy, clean technology, creative economy and tourism areas.

Highlights

Known for its natural beauty and the quality of life it offers, Florianópolis also acts as an important innovation hub in the country. It houses 850 technology companies, three technology parks, six business incubators, five universities, eight technology centers and seven business complexes in the sector – the most important contributor to the city's taxes. In 2014, it was recognized by Endeavor Brasil as the best city for entrepreneurship in the country.

Located in a privileged area in Santa Catarina's capital city, the Sapiens Park was designed to promote innovation-based sustainable development in an ecosystem that offers unique, creative and unforgettable experiences. In this regard, it seeks partnerships with various laboratories, R&D centers, accelerators, incubators, investment funds and service providers. In addition to offering quality spaces to meet the needs of customers and partners, the Park strives to attract strategic projects, creating favorable conditions for the structuring of innovation clusters.



TECHNOLOGIC PARK PEDRA BRANCA

Palhoça, Santa Catarina
<http://inaitec.com.br/pt>
Contact person: Diego Chierighini – Managing Officer
E-mail: diego@inaitec.com.br
Phone: +55 48 3286-3192

Operating since: January 2008

Jobs: 6,000

Total area: 3,000,000 m²

Resident companies : Large - 10 | Small and medium - 570 | Labs and others - 60

Available spaces: Plots of land | Multi-tenant building | Soft landing services offered |

Business Incubator | Business Accelerator

Large companies: Softplan (Brazil), Tivit (Brazil), Betha Sistemas (Brazil), Grupo Calcenter (Brazil), Pedra Branca Empreendimentos (Brazil), Olsen (Brazil), First S.A. (Brazil), Renner (Brazil), Impact HUB (Brazil) and Unisul (Brazil).

Special Labs: Informatics, computer graphics, plasma, certification lab (LabCert), innovation and entrepreneurship laboratory, construction materials, biomechanics and neurological physiotherapy.

Main sectors: Multisector Park focusing on nanotechnology, software and systems, pharmaceuticals, creative economy, health/medical, energy, ICT, smart city, robotics and industrial automation.

Highlights

The Pedra Branca Technology Park is located in the city of Palhoça, in the metropolitan region of Florianópolis, capital of Santa Catarina state. Managed by the Palhoça Institute for the Support of Innovation, Incubation and Technology (Inaitec) and with administrative headquarters in the Cidade Universitária Pedra Branca district, the Park is an agent for developing and attracting innovative companies and skilled labor from the Greater Florianópolis.

The Park was designed under a Creative City concept. At the Park, you can live, work, study and have fun. The innovation environment currently has 580 active companies, which generate 6,000 direct jobs, 10,000 inhabitants and 7,000 students.



TECNOSINOS

São Leopoldo, Rio Grande do Sul

www.tecnosinos.com.br/en/

Contact person: Luis Felipe Maldaner

E-mail: fmaldaner@unisinios.br

Phone: +55 51 35908600

Operating since: June 1999

Jobs: 4,500

Total area: 250,000 m²

Resident companies : Large - 4 | Small and medium - 76 | Labs and others - 5

Available spaces: Plots of land | Multi-tenant building | Business Accelerator | Soft landing services offered

Large companies: SAP (Germany), HTMicron (South Korea), Altus (Brazil) and HCL (India).

Special Labs: Semiconductors Technological Institute (itt CHIP), Micropaleontology Technological Institute (itt Fósil), Technological Institute in Trials and Functional Safety (itt Fuse), Technological Institute in Foods for Health (itt Nufrifor) and Performance and Construction Technological Institute (itt Performance).

Main sectors: Multisector park, focusing on ICT, health, clean energy and social technologies, engineering and automation, semiconductors, communications and digital convergence.

Highlights

Tecnosinos is home to companies of different nationalities, segments and sizes, creating an environment that values diversity and promotes technological interaction. Robust programs designed to foster entrepreneurship and innovation strengthen this ecosystem. The hybrid operation model, through which the company accelerator and incubator acts in synergy, seeks to boost innovative entrepreneurship focusing on sustainable business qualification and prospecting.

The Park is strategically located in the most industrialized region of Rio Grande do Sul, less than 100 kilometers from the Serra Gaúcha Industrial Hub and with access to Brazil's and other Mercosur countries' most important markets.



TECNOPUC

Porto Alegre, Rio Grande do Sul.

<http://www3.pucrs.br/portal/page/portal/inovapucrs/Capa/Tecnopuc/Eng>

Contact person: Rafael Prikladnicki – Tecnopuc Director

E-mail: rafaelp@pucrs.br

Phone: +55 51 33203694

Operating since: August 2003

Jobs: 6,500

Total area: 274,000 m² | Porto Alegre: 115,000 m² | Viamão: 159,000 m²

Resident companies : Large - 20 | Small and medium - 70 | Labs and others - 30

Available spaces: Plots of land | Multi-tenant building | Business Incubator | Soft landing services offered | Co-working

Large companies: Accenture (USA), DBServer (Brazil), Dell Computer (USA), Globo.com (Brazil), HP Inc (USA), Hewlett Packard Enterprise (USA), Microsoft (USA), Randon (Brazil), Huawei (China), Stefanini (Brazil), ThoughtWorks (USA), ThyssenKrupp (Germany), TOTVS (Brazil), Telebrás (Brazil), Motorola (USA), Petrobrás (Brazil).

Special Labs: MICROG – Centro de Microgravidade (Microgravity Center); CRIALAB – Laboratório de Criatividade (Creativity Lab); Instituto do Cérebro (Brain Institute); IPR – Instituto de Petróleo e Recursos Naturais (Oil and Natural Resources Institute); Instituto Nacional de Ciência e Tecnologia em Tuberculose (National Institute of Tuberculosis Science and Technology); IDEIA – Instituto de Pesquisa e Desenvolvimento (Research and Development Institute); LAIF – Laboratório de Análise de Insumos Farmacêuticos (Lab of Analysis of Pharmaceutical Input); UBILAB – Laboratório de Pesquisa em Mobilidade e Convergência Midiática (Lab of Research in Media Mobility and Convergence) and Centro de Inovação em Smart Cities (Innovation Center in Smart Cities).

Main sectors: Tecnopuc is multi-sector, focused on Information and Communication Technology (ICT), life sciences, energy, environment and creative industry. It also has research centers in Nanotechnology, Molecular and Functional Biology, Electric Power, Radiation and Energy, Photovoltaic Solar Energy, Oil, Gas and Carbon Storage, among others.

Highlights

Resulting from the integrated action by the Pontifical Catholic University of Rio Grande do Sul (PUCRS), the state government and companies, Tecnopuc aims to increase the competitiveness of its players and improve the quality of life of its communities through innovation. It focuses on qualified relationships and collaborative construction, and is a modern innovation ecosystem, home to companies of different sizes, bodies and R&D structures in the university, facilitating joint technology development.

The city of Porto Alegre, capital of Rio Grande do Sul, has a strategic geographical location regarding the Mercosur, being a central point in this region. It has a population of 1.5 million people - in the metropolitan area, there are about 4 million people. It has a great potential and a good infrastructure for science and technology, especially by bringing together leading universities and cultivating a truly entrepreneurial profile. Being the tourist gateway in the state and only 120 kilometers from the pleasant Serra Gaúcha, Porto Alegre is home for large domestic and foreign companies and one of the main destination for international events in Brazil.



SCIENCE AND TECHNOLOGY PARK OF TAQUARI VALLEY

Lajeado – Rio Grande do Sul

<http://www.univates.br/en/research>

Contact person: Simone Stülp – Manager of Tecnovates

E-mail: stulp@univates.br

Phone: +55 51 3714-7000 r: 5908

Operating since: November 2010

Jobs: 417

Total area: 100,000 m²

Resident companies : Large - 1 | Small and medium - 14 | Labs and others - 20

Available spaces: Multi-tenant building | Business Incubator | Co-working | Soft landing services offered

Large company: Naturovos (Brazil).

Special Labs: Food Biotechnology Laboratory, Waste Management and Alternative Energies Laboratory, Food Microbiology Laboratory, Food Chemistry Laboratory, Dairy Product Development Laboratory, Creative Industry Laboratory, Environmental Laboratory, Plant Propagation Laboratory, Acarology Laboratory, Bioreactors Laboratory, and the Center for the Study of Biogas and Renewable Energies (Ceber).

Main sectors: Tecnovates is a multisector park, focusing on the food, environmental and agroindustry sectors.

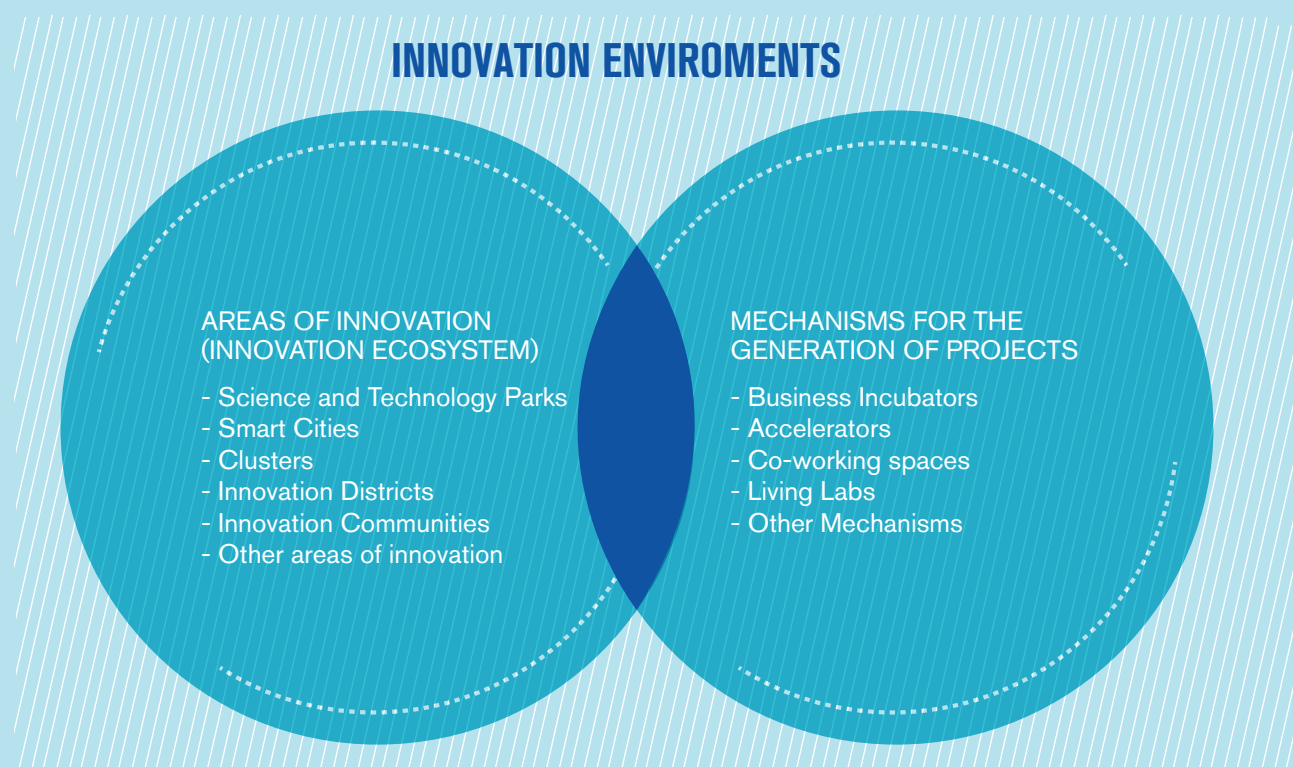
Highlights

Located in the central region of Rio Grande do Sul state, the Taquari Valley region, where Tecnovates is installed, consists of 36 municipalities, totaling an area of 4,826 Km². In accordance with data collected in 2014 by the Rio Grande do Sul Economics and Statistics Foundation (FEE-RS), the region has 348,435 inhabitants and gross domestic Product (GDP) of R\$9.5 billion (3.29% of the state's GDP).

The Valley is located 110 km from Porto Alegre and has highway, waterway and railway access to other regions in Brazil and South America. The Park has a physical structure and skilled researchers to conduct research and development projects in partnership with companies. Tecnovates focuses on the food and agroindustry sectors and is recognized as a potential environment for the implementation of biotechnological projects.

INNOVATION ECOSYSTEMS AND MECHANISMS TO GENERATE INNOVATIVE BUSINESS

Aligned with global trends, Brazil's innovative entrepreneurship movement involves two essential dimensions: ecosystems or innovation areas and the mechanisms to generate innovative business – as shown below.



Operating in an integrated manner with a high level of interaction, these ecosystems and mechanisms have achieved, in the last three decades, fundamental results to consolidate innovative entrepreneurship in Brazil. Next, the mechanisms to generate innovative business in Brazil – incubators and business accelerators – are highlighted, and further on we feature science parks, examples of innovation ecosystems already consolidated in different regions of Brazil.

BUSINESS INCUBATORS

The Brazilian movement of business incubators has been growing expressively in recent years – the incubators have a fundamental role on the development of the various country regions. Despite this significant contribution to the development of regions and the increased competitiveness of companies, incubators need to tune their structures and services to the new demands of society. Currently, companies do not seek regions where there are

low cost and huge quantities of human resources, but areas where there are environments that assist on the promotion of innovation and on the expansion of competitiveness. In this regard, the incubators need to expand their results, quantitative and qualitatively, to achieve a more significant percentage of the population.

The implementation of processes that can handle the complexity of this new reality is essential for this. Within this context, the Brazilian Association of Science Parks and Business Incubators (Anprotec) and the Brazilian Micro and Small Business Support Service (Sebrae) worked together to build a new model of operation for Brazilian incubators. The platform, called Reference Center of Support to New Enterprises (Cerne), seeks to promote expressive improvements on the results of incubators in different areas, both in quantitative and qualitative terms.

The objective of Cerne is to provide a platform of solutions, in order to improve the incubator's capacity to systematically generate innovative and successful enterprises. Thus, it creates a reference for incubators in different areas and sizes so they can reduce the supported enterprises' varying levels of success.

The List of Certified Incubators of Cerne is presented below.

CENTER FOR ENTREPRENEURSHIP AND INCUBATION OF THE FEDERAL UNIVERSITY OF GOIÁS

(CEI – Centro de Empreendedorismo e Inovação da Universidade Federal de Goiás)

The Center for Entrepreneurship and Incubation (CEI) of the Federal University of Goiás (UFG) plays a decisive role in the state's incubation scenario. The center was created in 2004 to increase the number of technology-based companies in the region, to create jobs, expand income and stimulate the generation of new technologies from the approach between the academia and the productive sector. It has supported 38 enterprises. Nineteen are incubated and 18 are graduated, which remain on the market with financial autonomy and a growth rate of 40% per year. CEI has four businesses with social impact on education, electronics and agribusiness. To increase the scope of its support to enterprises, the Lessons Learned Program and the Mentoring Program were created in 2017. In addition, it plans to deploy a coworking, and it will have a new branch at the Technological Center, located in the Sambaiba Science Park of UFG.

BUSINESS PROCESSING CENTER FOR ADVANCED TECHNOLOGIES

(Celta – Centro Empresarial para Laboração de Tecnologias Avançadas)

Created in 1986 by the Reference Centers on Innovative Technologies Foundation (Certi), Celta is a pioneering incubator in Brazil. It is the largest incubator in Latin America. Forty-eight operations are incubated and 98 are graduated, a total of 146 companies accepted since its creation. Celta has a great contribution in changing the economic profile of Florianópolis, SC, which depended on seasonal tourism and went on to be recognized as an important technology and innovation center. Its success is linked to a management model that involves the City Hall of Florianópolis, the State Government, the Federal University of Santa Catarina and businesses associations. It is installed at the Alfa Science Park in Florianópolis since 1995. In 1997, it became the first incubator to win Anprotec's Incubator of the Year Award.

FUNDETEC TECHNOLOGICAL INCUBATOR CENTER (CIT)

To contribute to the creation, development and improvement of micro and small enterprises of technological basis, the Technological Incubator Center (CIT) was created in 2001. The institution is part of the Foundation for Scientific and Technological Development (Fundetec), located in the city of Cascavel, PR. It is a mixed incubator and has eight incubated companies and 22 graduated, in the Agro industrial, Biotechnology, Environment, Food, Electronics and IT fields. CIT offers structural, technical and management support to entrepreneurs who present potential innovations on their production plan.

BUSINESS INCUBATION AND TECHNOLOGICAL INNOVATION INSTITUTE

(IEITEC – Instituto Empresarial de Incubação e Inovação Tecnológica)

Founded in 1989, it is a private not-for-profit institution with an incubator for technology-based companies with multi-sectoral activities since 2002. Twenty-one companies are incubated and nine are graduated in areas such as Environment, Assistive Technology, Metal-Mechanics, Electro-Electronics, Logistics and Food. IEITEC focuses on exploring technology-based businesses with sustainable environmental and social impacts. One of its differentials is the approach with the productive sector and the diversity of academic partnerships in the region.

TECHNOLOGY INCUBATOR IN CENTRAL NATAL

(ITNC – Incubadora Tecnológica Natal Central)

Created in 1998, ITNC is the first business incubator in Rio Grande do Norte state and offers technical support and physical structure to micro and small businesses that have innovative designs and are starting. ITNC is a part of the Program of Technological Multi-incubation (Programa de Multincubação Tecnológica) of the Federal Institute of Education, Science and Technology of Rio Grande do Norte (IFRN – Instituto Federal de Educação, Ciência e Tecnologia do Rio Grande do Norte), which has seven incubators across the state – each of them prioritizing incubation of projects that are aligned with the expertise of its campuses. Twelve are incubated and 27 are graduated. The ITNC also allows the students of the Central Natal Campus of IFRN to experience the innovative entrepreneurial culture through a pre-incubation program.

INDUSTRIAL MICRO DISTRICT OF INFORMATION TECHNOLOGY

(MIDI Tecnológico – Microdistrito Industrial de Informática)

MIDI Tecnológico was born with the purpose of encouraging young entrepreneurs and supporting the development of new technology-based companies. The initiative started from the will of the Santa Catarina Association of Technology Companies (Acate – Associação Catarinense de Empresas de Tecnologia) to approach the new generation of entrepreneurs aligned with the Project of Industrial Micro Districts (Projeto Microdistritos Industriais) of Sebrae (SC). The incubator introduced a new modality to the market in 2009, the virtual incubation, in which companies have the MIDI support at their disposal but are not installed on the physical space of the incubator. In 2015, the incubator moved to the new headquarters of Acate, where the Pre-Incubation Program was created, aimed at supporting ideas that are still in an initial phase. That same year, the Post-Incubation Program was launched to accompany more experienced entrepreneurs that had already underwent incubation. There are eight resident enterprises, seven virtual and seven pre-incubated, nine post-incubated and 90 already graduated.

DIGITAL HARBOR – NUCLEUS OF INCUBATION OF THE DIGITAL HARBOR

(Porto Digital – Núcleo de Incubação do Porto Digital)

The Digital Harbor received the Cerne certification for the Nucleus of Incubation of Digital Harbor Recife, which comprises the C.A.I.S. Incubator and Portomídia. The C.A.I.S. was inaugurated in 2010 and its mission is to support companies that use Information and Communication Technology (ICT) to solve real problems of productive sectors of the state of Pernambuco. The institution has graduated 18 companies until 2017 and nine startups are in the process of incubation. Created in 2012, the Portomídia Incubator stimulates the Creative Economy sector, like the areas of design, digital games, cine-video-animation, music and photography, always with the use of ICT. Seven were graduated and three enterprises are in the process of incubation. The Warehouse of Creativity (Armazém da Criatividade) is another action to support innovation and entrepreneurship of the Digital Harbor, but held in the interior of the state of Pernambuco. Despite not having Cerne yet, the Warehouse has been using the same management processes of the other two.

MULTI-SECTORAL INCUBATOR OF TECHNOLOGY-BASED COMPANIES OF PUC - RS

(RAIAR – Incubadora Multisetorial de Empresas de Base Tecnológica da PUC - RS)

With the mission of inspiring entrepreneurs to be agents of social change and finding on technology the means to generate valuable businesses, Raiar is located at the Science and Technology Park of PUC - RS (Tecnopuc). Raiar is a multi-sectoral incubator of technology-based companies, founded in 2003 and has already graduated more than 65 companies, among them, Pandorga Technology, the first case of internationalization of Tecnopuc after it settled in London. Twenty-six companies are incubated on the Porto Alegre and Viamão units. In 2015, Raiar received the Business and Innovation Centers (BIC) certification, a title awarded by the European Business Innovation Centre Network (EBN). Raiar has a pre-incubation program called Startup Garage (Startup Garagem). Another focus has been on acting as a hub of entrepreneurship, where connections to major players in the market, partnerships and new services accelerate the startups at different stages.

SOFTVILLE INCUBATOR

(Softville Incubadora)

Softville is an incubator focused on ideation, transformation and traction of high impact technology-based companies. The promotion of connections and the development of people to strengthen their teams is on its DNA. Created in 1995, it is maintained by the State University of Santa Catarina, the University of the Region of Joinville, the Union of Data Processing and Information Technology Companies of Joinville (Sindicato das Empresas de Processamento de Dados e Informática de Joinville), the Educational Society of Santa Catarina (Sociedade Educacional de Santa Catarina) and by the Joinville City Hall. Twenty-eight companies are incubated, 72 graduated and 45 affiliated IT companies. Softville performs a series of parallel programs of incentive to digital entrepreneurship, such as the Nursery of the Entrepreneur (Berçário do Empreendedor), the FabLab Joinville and the Joinville Startups. Currently, the companies incubated by Softville employ 106 people, and the graduated, 300 people.

ARCA MULTI-INCUBATOR

(ARCA Multincubadora)

Born in 2001 at the Federal University of Mato Grosso (UFMT), the ARCA Multi-incubator is of mixed type and derives from the Center of Technology and Software of Cuiabá (Tecsoft – Centro de Tecnologia de Software de Cuiabá) Between 2001 to 2004, nine resident technology-based companies were incubated and five graduated. Tecsoft suspended its activities in 2005, and through a change in the association method, Arca Multi-Incubator was created. The incubator was founded to be a Center of Intelligence on Innovative and Sustainable Business and to incubate technology-based, shared economy and social technology enterprises. It operates in conjunction with the Office of Technological Innovation (Escritório de Inovação Tecnológica) of UFMT. Six companies graduated from 2006 to 2017. There are eight non-resident and incubated companies, out of which seven are shared economy enterprises.

CENTER FOR ENTERPRISES ON INFORMATION TECHNOLOGY

(CEI – UFRGS – Centro de Empreendimentos em Informática)

Twenty companies graduated from the Center for Enterprises on Information Technology (CEI) since its creation in 1996. Currently, there are eight companies incubated and two pre-incubated, always focusing on the development of technological innovation projects. CEI is installed on the Vale Campus of the Federal University of Rio Grande do Sul (UFRGS). There are 20 work modules equipped with all the infrastructure for businesses. In addition, CEI has a trained staff to monitor the structuring and development of enterprises on their different dimensions. The participating startups receive support of various consultancies.

GENE BLUMENAU INSTITUTE

(Instituto Gene Blumenau)

The Institute appeared in 1996 as the Gene Blumenau Project (Projeto Gene Blumenau), a pre-incubator connected to the Genesis Program – Generation of New Enterprises in Software, Information and Services, coordinated by the Softex Society and supported by the MCTIC. The design project was proposed by professors from the Department of Systems and Computer Science at the Regional University of Blumenau. In 2002, it was legally established as the Gene Blumenau Institute, a non-profit association with administrative and financial autonomy in relation to its founders and maintainers. In 2007, a business unit was opened in Portugal through a partnership established with the Science Park of the city of Covilhã. The Institute is a multidisciplinary business incubator designed to stimulate entrepreneurship and support companies and innovative designs, offering three models of incubation: pre-incubation, incubation and virtual incubation.

TECHNOLOGY AND AGRIBUSINESS INCUBATOR OF MOSSORÓ

(Iagram – Incubadora Tecnológica e do Agronegócio de Mossoró)

The initial purpose of Iagram was to support small associations and cooperatives in the beekeeping sector of Mossoró and region, with the support of Sebrae-RN. The incubator started in 2005, at the newly-created Federal Rural University of the Semi-Arid Region. Three years later, the scope was expanded, starting to focus on the agribusiness sector as a whole. By supporting entrepreneurs, managing projects and disseminating the culture of entrepreneurship, it became a reference in Rio Grande do Norte. In 2013, the incubator went through another market opening, when it began to meet the demands of technology projects, mainly from the internal public – students and teachers of Engineering and other technology courses at Ufersa. Eight enterprises are incubated and six others graduated.

INNOVATION AND TECHNOLOGY UNIT OF UNISINOS

(Unitec – Unidade de Inovação e Tecnologia da Unisinos)

The mission of Unitec is to stimulate entrepreneurship with technological innovation and social impact in the region of Vale do Rio dos Sinos, in the state of Rio Grande do Sul. As a branch of the University of Vale do Rio dos Sinos (Unisinos), it also acts as a managing unit at the Science Park of São Leopoldo (Tecnosinos). The entrepreneurship and innovation movement that started in the 1980s in Brazil was still new when Unitec innovated the concept of incubator. Incubation with focus on the market is its main mission. About 45 operations, between incubated and graduated, occupy the Unitec complex. In 2014, the institution was recognized globally with the Best Knowledge-based Incubator award, conferred by the Technopolicy Network. Among the projects for the future is the implementation of corporate venture programs seeking to attract traditional enterprises to the environment of Unitec.

SANTOS DUMONT INCUBATOR - FOZ DO IGUAÇU (PR)

The Santos Dumont incubator offers managerial support to new companies in the sectors of water, energy, tourism, information technology, and communications, management and mobility. It facilitates the interaction with the business, scientific, technological and financial environments, to help their insertion, growth and consolidation in the market. Since 2006, it has reached the following results: Projects served, 211; Companies generated, 68; Graduated companies, 8; Products and services, 384; Revenue, R\$ 31 million; Jobs, 966. Initially having a technological profile, the incubator currently develops and supports extremely innovative projects linked to food and biotechnology, renewable energies, electromechanical, and information technology (IT).

SUPERA TECHNOLOGY BASED COMPANIES INCUBATOR

(Supera Incubadora de Empresas de Base Tecnológica)

Supera was founded in 2003 and is a part of the Supera Innovation and Science Park of Ribeirão Preto, managed by Fipase. The incubator supports the development of technology-based companies and holds two annual selection processes for projects to receive support. Currently, there are 43 companies assisted by the incubator. Since 2017, the selection process presents something new: the mandatory participation of candidates in the course Entrepreneurship at Supera (Empreende na Supera). The objective is to qualify the candidates that want to start an entrepreneurial career, following the best practices in the market. Supera was ranked in the South America Top 10, granted by University Business Incubator (UBI Index) in 2014.

SCIENCE DEVELOPMENT PARK

(Padetec – Parque de Desenvolvimento Tecnológico)

Padetec is a pioneering incubator in Ceará state, and a reference in the market due to its model of technology transfer, which includes the international market and the move towards the interior of the state by creating agencies and parks in municipalities. It was created in 1990, and at the time it was linked to the Training Center on Regional Economic Development (Padetec), but left it in 2000, when it was instituted as a non-profit civil organization. It acts as an incubator and a research center to stimulate the creation and development of technology-based industrial enterprises. Padetec has 18 incubated companies and already graduated 59. It was evaluated in 2016 by the University Business Incubator (UBI) Index, and ranked as the sixth best incubator in Latin America and the third in Brazil.

A COUNTRY PERSPECTIVE ON ANGEL INVESTMENT

POLICES & PRACTICES 2017 - BRAZIL

In the globalized and competitive world we live in, innovation is a goal that all countries constantly seek, increasingly investing in Education, Research & Development, and Technological Development, since these items are essential to sustain economic growth. However, all these investments only become results for the economy and society when they become tangible products and services through the entrepreneurial initiative. Thus, for Brazil to have continuous strength, in addition to the basic investment for its economic development, it is necessary to encourage the creation and growth of innovative entrepreneurship, the so-called startups, which will generate our wealth in the future.

The economic recovery is one of the greatest challenges we currently have in Brazil, and it is crucial for this recovery to be based on innovation and to remain sustainable in the future. A fundamental player in this is angel investment. Made by entrepreneurs, executives and liberal professionals with their own resources in high-potential startup companies, angel investment adds not only capital, but all the experience, knowledge and relationship network of the investors, thus increasing significantly the chances of success and accelerating business growth.

According to the conclusion of a study by The Organisation for Economic Co-operation and Development (OECD), angel investors have a key role in financing young companies. That is why they must have more attention from policy makers and academics. Examples of companies that had angel investment support in the beginning are: Apple, Google, FEDEX, Intel, Starbucks, etc. and in Brazil: Buscapé, Bematech, etc. Angel investment in Brazil represents more than R\$ 850 million/year, having potential for R\$ 3 billion/year in the short term and even R\$ 5 billion/year in the medium term.

ENTREPRENEURIAL ECOSYSTEM CONTEXT

Boasting 1,600-2,900 active tech startups, São Paulo is home to the largest and most mature startup ecosystem in South America. The Brazilian tech epicenter is also one of the 15 largest ecosystems in the world. At the same time, São Paulo is among the cities that dropped the most in this year's global ranking, from 12th in 2015 to below the top 20. Economic challenges and political turmoil have undoubtedly weakened the ecosystem, but also strong newcomers from China and Sweden made it impossible not to lose ground in the global ranking. The willingness and energy to reverse this trend is undoubtedly there. The city of São Paulo recently announced a program to reduce the time required to incorporate most types of ventures to less than 7 days. Federal and local government have also led the establishment of Innovatech, a provider of online mentorship, and other service providers. Government leadership remains sparse while private players continue to drive growth. Organizations such as Endeavor Brazil and Dínamo, a movement to promote policy changes to foster innovation and startups, are just two important examples. Startup Farm, one of Brazil's most important accelerators, has already invested \$100 million into well over 200 startups. YouTube Gaming, Instagram and other large technology companies have committed to making São Paulo their Latin American headquarter while Google announced its first batch of resident startups last year.

As a result, the ecosystem continues to produce startup success stories like no other Latin American ecosystem. Real estate startup VivaReal has already raised approximately \$75 million, making it one of the largest Brazilian startups. Rising stars coming out of the ecosystem include DogHero and Exact Sales, which have raised \$3.1 million and \$1.2 million, respectively.

In this year's ranking, São Paulo's strongest factor is Performance- driven by its high number of startups that are performing reasonably well. The Funding environment appears to be a major hindrance, and while the Engineering Talent is low cost, São Paulo does not rank well on the Access sub-factor. The ecosystem's potential is undeniable, but the assessment also outlines that the city can do better at materializing the hype¹.

Brazil's innovation entrepreneurship ecosystem is quite broad and integrated, with several operating associations:

ACCESS TO CAPITAL

- Angel Investors
- Angel Investors Networks
- Seed Funding Investment
- Venture Capital (Abvcap)
- Co-investment Funds
- Government grants (Fapesp, Finep, etc)
- Private banks (Febrabam)
- Equity crowdfunding (Equity)

ENTREPRENEURSHIP SUPPORT ASSOCIATIONS

- Brazilian Association of Science Parks and Business Incubators (Anprotec)
- Brazilian Startup Association (ABStartups)
- Brazilian Trade and Investment Promotion Agency (Apex-Brasil)
- Brazilian Micro and Small Business Support Service (Sebrae)

¹ Source: *Global Startup Ecosystem Report 2017* – pgs. 95, 96

We recommend reading:

<http://www.apexbrasil.com.br/uploads/Investment%20Guide%202017.pdf>

ANGEL INVESTMENT IN BRAZIL

ANGEL INVESTMENT ECOSYSTEM: A BRIEF HISTORY

Anjos do Brasil a not-for-profit organization, founded in 2011, for helping the development of angel investment in Brazil. It is the largest angel investor network in Brazil with over 16 affiliated groups spread from south to the north of the country with over 300 active members and represents the sector to at every level of Brazilian government, proposing public policies to foster startup investments.

In order to encourage angel investing in support of innovative entrepreneurial projects, Anjos do Brasil act on three fronts:

- Supporting the formation of investment groups for connecting entrepreneurs and angel investors;
- Sharing knowledge and helping to create a risk capital investment culture; and
- Working with government to formulate and execute public policies in support of innovative entrepreneurial projects.

The guiding principle of our activity is to connect all the agents of the entrepreneurial community.

2015 – 2017 2ND CYCLE

Several groups of angel investors were formed, with emphasis on groups linked to domestic and foreign Universities.

New regulations are approved and forward demands for asset protection of angel investors.

2011 – 2015 CONSOLIDATION

The number of investors and investee companies increases annually and investments are carried out in a consistent and structured way.

Anjos do Brasil, fostering organization of angel investment is founded, acting as a network of investors to create and disseminate the culture and knowledge on venture capital and public policies.

2002 – 2011 1ST CYCLE

Emergence of the first groups of angel investors. Greater involvement of investors with the VC market.

1994 – 2002 START

Sporadic investments in technology startups through personal contacts by entrepreneurs

STRENGTHS AND CHALLENGES

Brazil currently has more than 7000 ACTIVE Angel Investors.

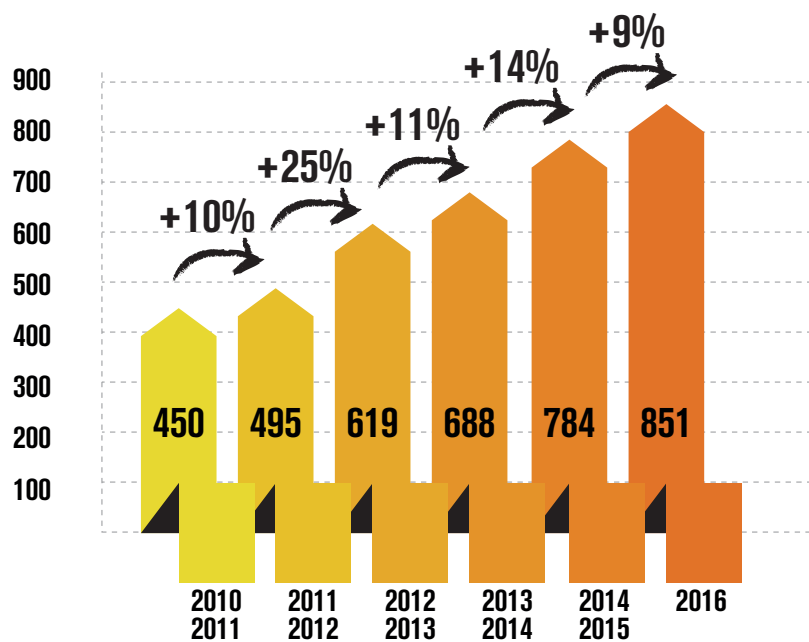
More than 12 organized Angel Investor Networks are looking to invest in 18,000+ START-UPS in the next 3 years.

With many of them being backed by the 300 Incubators or 30+ accelerator programs in the country.

STRENGTHS	REALITY CHECK
<ul style="list-style-type: none"> ▪ MARKET WITH MANY REAL OPPORTUNITIES AND LOW COMPETITION FOR INNOVATIVE COMPANIES TO IMPLEMENT THEIR SOLUTIONS ▪ INTERNAL MARKET GROWTH ▪ ACTIVE ANGEL INVESTORS HAVE BEEN INCREASING THE VOLUME OF THEIR INVESTMENT IN STARTUPS ▪ ADVANCES IN THE BRAZILIAN LEGISLATION THAT GIVES LEGAL SECURITY TO THE ANGEL INVESTMENT ▪ EMERGENCE OF CO-INVESTMENT FUNDS WITH ANGEL INVESTORS 	<ul style="list-style-type: none"> ▪ MOST STARTUPS PRESENT INNOVATIONS ONLY IN THE LOCAL BUSINESS MODEL, BUT CONSIDERING THAT BRAZIL IS A SIGNIFICANT MARKET, THERE IS A LOT OF POTENTIAL. ▪ NOT ALL ENTREPRENEURS ARE FULLY QUALIFIED TO ATTRACT INVESTMENT.

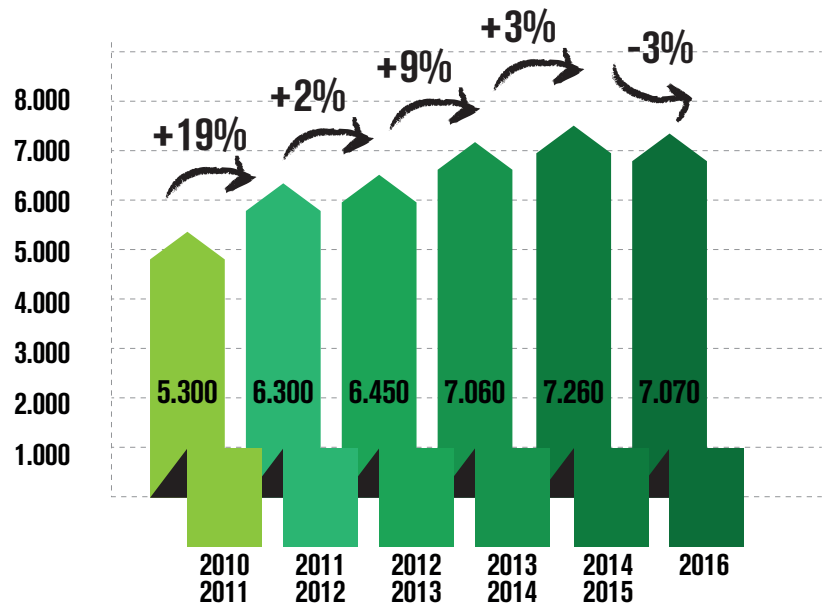
BRAZILIAN ANGEL INVESTMENT GROWTH IN NUMBERS

TOTAL AMOUNT INVESTED IN MILLION R\$



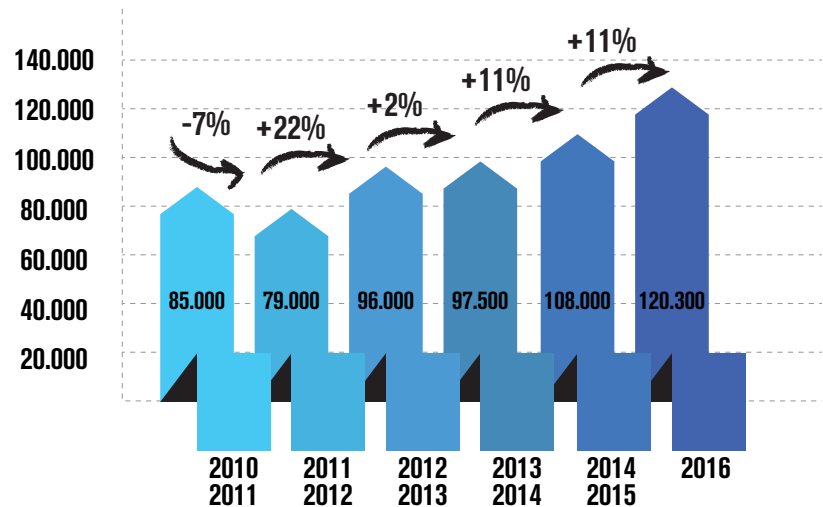
Source: Anjos do Brasil

NUMBER OF ANGEL INVESTORS



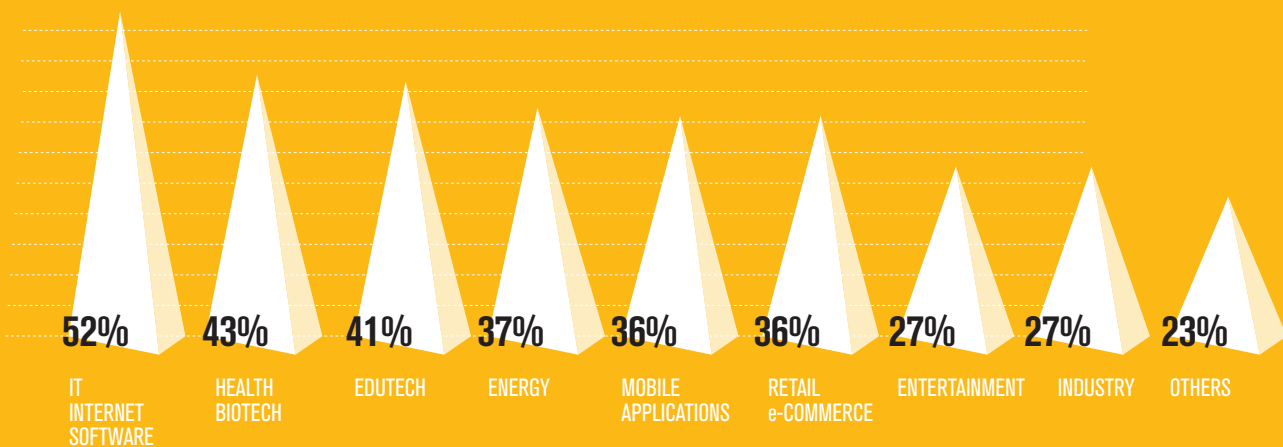
Source: Anjos do Brasil

AVERAGE ANGEL INVESTMENT TICKET SIZE



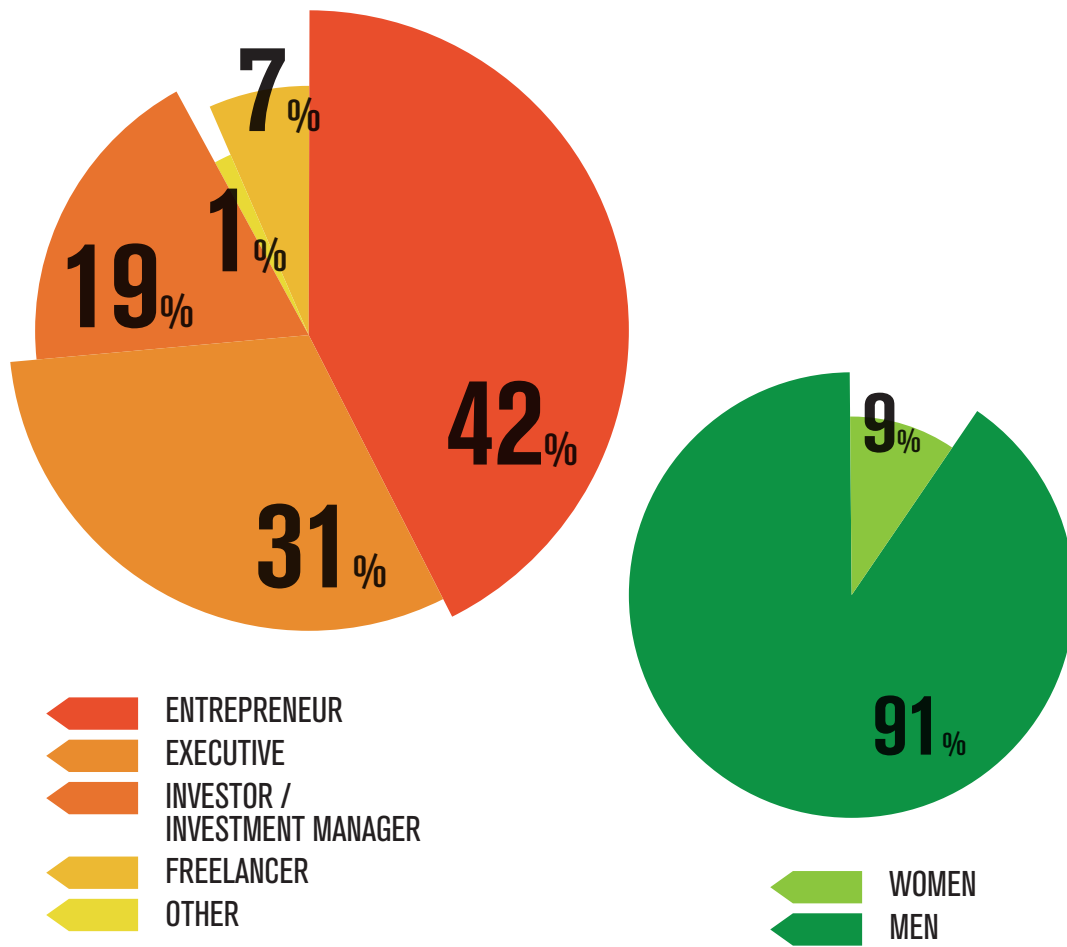
Source: Anjos do Brasil

MOST RELEVANT SECTORS FOR ANGELS TO INVEST



Source: Anjos do Brasil

**ANGEL INVESTOR PROFILE
OCCUPATION**



Source: Anjos do Brasil

BRAZILIAN ANGEL NETWORKS



ANJOS DO BRASIL

Active members
+300

Location: Rio Grande do Sul (RS), Santa Catarina (SC), Paraná (PR), São Paulo (SP), Rio de Janeiro (RJ), Belo Horizonte (BH), Bahia (BA), Amazonas (AM), Distrito Federal (DF), Goiás (GO), Mato Grosso do Sul (MS), Alagoas (AL), Rio Grande do Norte (RN), Ceará (CE)

website: www.anjosdobrasil.net



CURITIBA ANGELS

Active members
40

Location: PR

Website: www.curitibaangels.com.br



GÁVEA ANGELS

Active members
61

Location: RJ

Website: <http://www.gaveaangels.org.br/>



GV ANGELS

Active members
62

Location: SP

Website: www.gvangels.com.br



INSPER ANGELS

Active members
108

Location: SP

Website: https://www.insper.edu.br/empreendedorismo/insper_angels/



ISE BUSINESS ANGELS

Active members
21

Location: SP

Website: <http://ise.org.br/emprese>



LAAS - LATIN AMERICAN ANGELS SOCIETY

Active members
14

Location: SP

Website: <http://laasoc.com/>



VERUS GROUP

Active members
26

Location: SP

Website: www.verusgroup.com.br

**Not exhaustive sample of existing networks.*

SAMPLE OF ANGEL INVESTMENTS 2016-2017

ANGEL NETWORK	COMPANY NAME	SECTOR
Anjos do Brasil	Brasil Mate	Retail
Anjos do Brasil	Byond	Industrial
Anjos do Brasil	Fhinck	Business
Anjos do Brasil	Filho sem fila	Education
Anjos do Brasil	GeekHunter	HR
Anjos do Brasil	Menu.com.vc	Retail
Anjos do Brasil	Pet Anjo	Marketplace
Anjos do Brasil	Pluga	SME
Anjos do Brasil	Quem cuida	Health Services
Anjos do Brasil	Quero Quitar!	Fintech
Curitiba Angels	Contabilizei	Accountant
Curitiba Angels	DroneMapp	Geoprocessing
Curitiba Angels	James Delivery	Delivery
Curitiba Angels	QuemCuida	Health
Curitiba Angels	Transfeera	Fintech
Curitiba Angels	Troco Simples	Fintech
Gávea Angels	Ambiente Renovado	Architecture
Gávea Angels	Bizut	Digital/HR
Gávea Angels	Bizvox	Telecom
Gávea Angels	Brazil Pass	Digital
Gávea Angels	Cargo BR	Digital/Freight
Gávea Angels	Descomplica	Education
Gávea Angels	EcoCharge	Social
Gávea Angels	Hotel Quando	Tourism
Gávea Angels	Nutre Bem	Digital/Food
Gávea Angels	Publit	Comunication
GV Angels	eStoks	Logistics
GV Angels	Expresso	Corporativo reimbursement
GV Angels	Standout	Digital Media
ISE Business Angels	Canguru	
ISE Business Angels	Explorum	Educational
LAAS	Job for model	HR
LAAS	Justto	Legaltech
LAAS	Mobicity	Mobility
LAAS	Skore	Digital
Verus Group	Convenia	HR
Verus Group	Cuponeria	Discount coupons
Verus Group	Hands	Mobile Marketing
Verus Group	Omiexperience	ERP

WHO CAN BE AN ANGEL INVESTOR IN BRAZIL

The Brazilian government does not require the registration of angel investors or requires them to be qualified investors. Most angel investor networks have as inclusion criteria:

- Self-declaration stating they can invest more than R\$ 40 thousand/year in the activity.
- Minimum experience of 6 years in relevant position in corporations or as an entrepreneur.

CO-INVESTMENT FUNDS

In 2017, investment fund initiatives arise in Brazil and make co-investment with angel investors, increasing capital availability for startups and reducing the risks for angel investors.

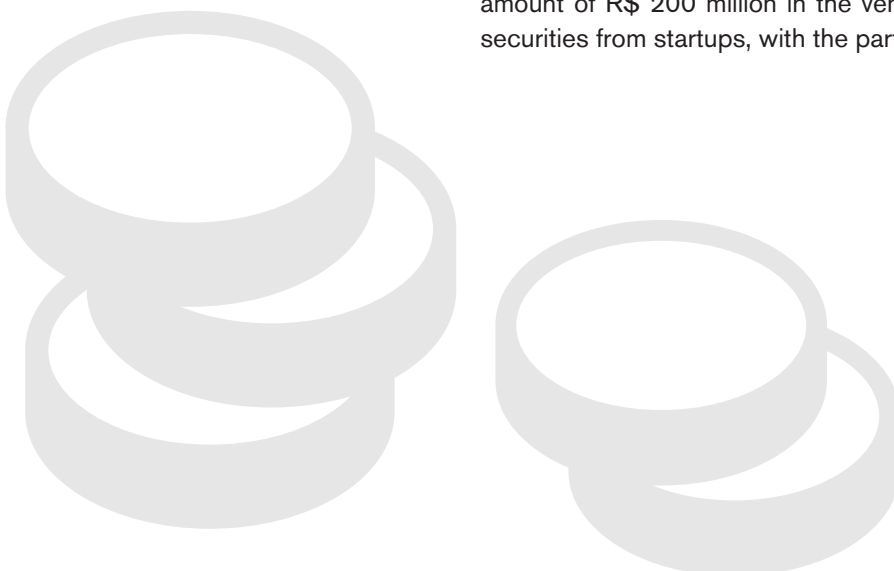
FINEP Startup – <http://finepstartup.finep.gov.br/>

The Finep Startup Program aims to support innovation in knowledge-intensive startup companies through the use of financial resources for the implementation of their growth plans.

The focus of the Program is to cover the in support and financing gap between the contribution made by growth programs, angel investors and crowdfunding and the contribution by Seed Money and Venture Capital Funds.

BNDES

The Brazilian Development Bank (BNDES) announced it will have an investment fund to support startups. The fund resources will be in the amount of R\$ 200 million in the venture debt model, i.e., it will buy debt securities from startups, with the participation of private equity as well.



GOVERNMENT POLICIES TO PROMOTE BUSINESS ANGEL INVESTING

In 2016, the Federal Government issued Complementary Law 155/2016, defining the Participation Agreement as a typical instrument for angel investment.

This law brought major benefits:

1. The protection of the angel investor regarding any liabilities that the company may have. The loss of venture capital is a risk accepted by angel investors; however, one of their major concerns is that besides losing their invested capital – in case the company is charged for debts, especially fiscal and/or labor ones – the Justice would determine the disregard of the legal personality of the company, levying execution upon the property of the partners, including those of the investor. By incise I of the 4th paragraph of art. 61-A it was established that the angel investor “will not be responsible for any debt of the company, including judicial recovery, not applying to him the art. 50 of Law no. 10,406, of January 10, 2002 – Civil Code”; which is what defines the disregarding of corporate entity.

2. Another major benefit brought by the law is the fact that the angel investment no longer disqualifies the company invested from SIMPLES, a simplified tax regime for startup companies. That is, the company will continue to enjoy the benefits of SIMPLES, such as reduced taxes and tax simplification.

Law 155/2106 – Statement on the angel investment:

Art. 61-A. To encourage innovation activities and productive investments, the micro- or small enterprise, under this Complementary Law, may admit the contribution of capital, which will not incorporate the company's share capital. (Included by Complementary Law no. 155/2016)

§ 1st The purposes of fostering innovation and productive investment must be included in the participation agreement, with duration not exceeding seven years. (Included by Complementary Law no. 155/2016)

§ 2nd The contribution of capital can be held by an individual or legal entity, known as an angel investor. (Included by Complementary Law no. 155/2016)

§ 3rd The constitutive activity of the social object is exercised solely by regular partners, in their individual name and under their sole responsibility. (Included by Complementary Law no. 155, 2016)

§ 4th The angel investor: (Included by Complementary Law no. 155/2016)

I – will not be considered a partner or have any right in the department or vote in the administration of the company; (Included by Complementary Law no. 155/2016)

II – will not respond for any debt of the company, including in judicial recovery, not applying to them the art. 50 of Law no 10,406, January 10/2002 – Civil Code; (Included by Complementary Law no. 155/2016)

III – will be paid for their contributions, in accordance with the participation agreement for a period of up to five years. (Included by Complementary Law no. 155/2016)

§ 5th For framing purposes of micro- or small enterprise, contributed capital values are not considered to be revenue of the company. (Included by Complementary Law no. 155/2016)

§ 6th At the end of each period, the angel investor will live up to the remuneration corresponding to the results distributed, according to participation agreement, not exceeding 50% (50%) of the profits of the micro- or small enterprise. (Included by the Complementary Law no. 155/2016)

§ 7th The angel investor may only exercise the repurchase right after at least two years of the contribution of capital, or longer period established in the participation agreement, and the assets will be paid in the form of the art. 1,031 of Law no. 10,406, of January 10, 2002 – Civil Code, not exceeding the amount invested and properly adjusted. (Included by the Complementary Law no. 155/2016)

§ 8th The provisions of § 7th of this article do not prevent the transfer of ownership of the contribution to a third party. (Included by the Complementary Law no. 155/2016)

§ 9th The transfer of ownership of the contribution to third party unrelated to the company will depend on the consent of the partners, except for contrary contractual stipulation. (Included by the Complementary Law no. 155/2016)

§ 10th. The Ministry of Finance may regulate the taxation on withdrawal of the invested capital. (Included by the Complementary Law no. 155/2016)

Art. 61-B. The issuance and ownership of special contributions do not prevent enjoyment of Simples Nacional. (Included by the Complementary Law no. 155/2016)

Art. 61-C. If the partners decide for the sale of the company, the angel investor will have right of preference in the acquisition, as well as the right of tied sale of the ownership of the contribution of capital, on the same terms and conditions offered to regular partners. (Included by the Complementary Law no. 155/2016)

Art. 61-D. Investment funds may provide capital as angel investors in micro- and small enterprises. (Included by the Complementary Law no. 155/2016)



LEGAL TYPES OF STARTUPS IN BRAZIL

In Brazil there are several legal types for companies, the most common for startups are:

- Limited Liability Company (Ltd.): equivalent to the American LLC, it allows multiple partners and its holdings are divided into quotas with no minimum capital; it is the most common type for the initial phase of the startup and more suitable for convertible instruments or participation agreement (see legal models for investment)
- SA Corporation (S/A): equivalent to the American C-Corp, it allows multiple partners and its holdings are divided into shares; it has advanced governance structure through a management council. It is more common for startups that already have an investment fund (seed or VC). Normally the participation of the angel investor is converted into shares.

NICE MODELS FOR INVESTMENT

The most used legal models for angel investment in Brazil are:

- Convertible mutual: equivalent to a convertible note, it is a loan contract with the possibility of conversion into equity interest, and may have a pre-defined valuation or not.
- Participation Agreement: new contract model set according to Law 155/2016, protects the investor of the liabilities the company may have. It also allows the conversion into equity interest.

In addition to these models, companies under SA Corporation (S/A) can use:

- Convertible debentures: are also equivalent to the convertible note, but used only for S/As. They can be converted into shares.
- Shares: a direct participation in the company, usually with the preference class for angel investors.

Anjos do Brasil provides general guidelines of contract models used in Brazil for angel investment on www.anjosdobrasil.net/guia

We recommend investors and entrepreneurs to always have a legal department or specialized lawyer for the preparation of contracts.

FIRST STEPS FOR INTERNATIONAL ANGELS TO INVEST IN BRAZILIAN STARTUPS

1 JOIN A GROUP OF BRAZILIAN ANGEL INVESTORS

We recommend you to associate with a network or group of Brazilian angel investors in order to access the deal-flow and, especially, to co-invest with a local investor for improved security and business monitoring.

2 OBTAIN YOUR BRAZILIAN TAXPAYER REGISTRY (CPF)

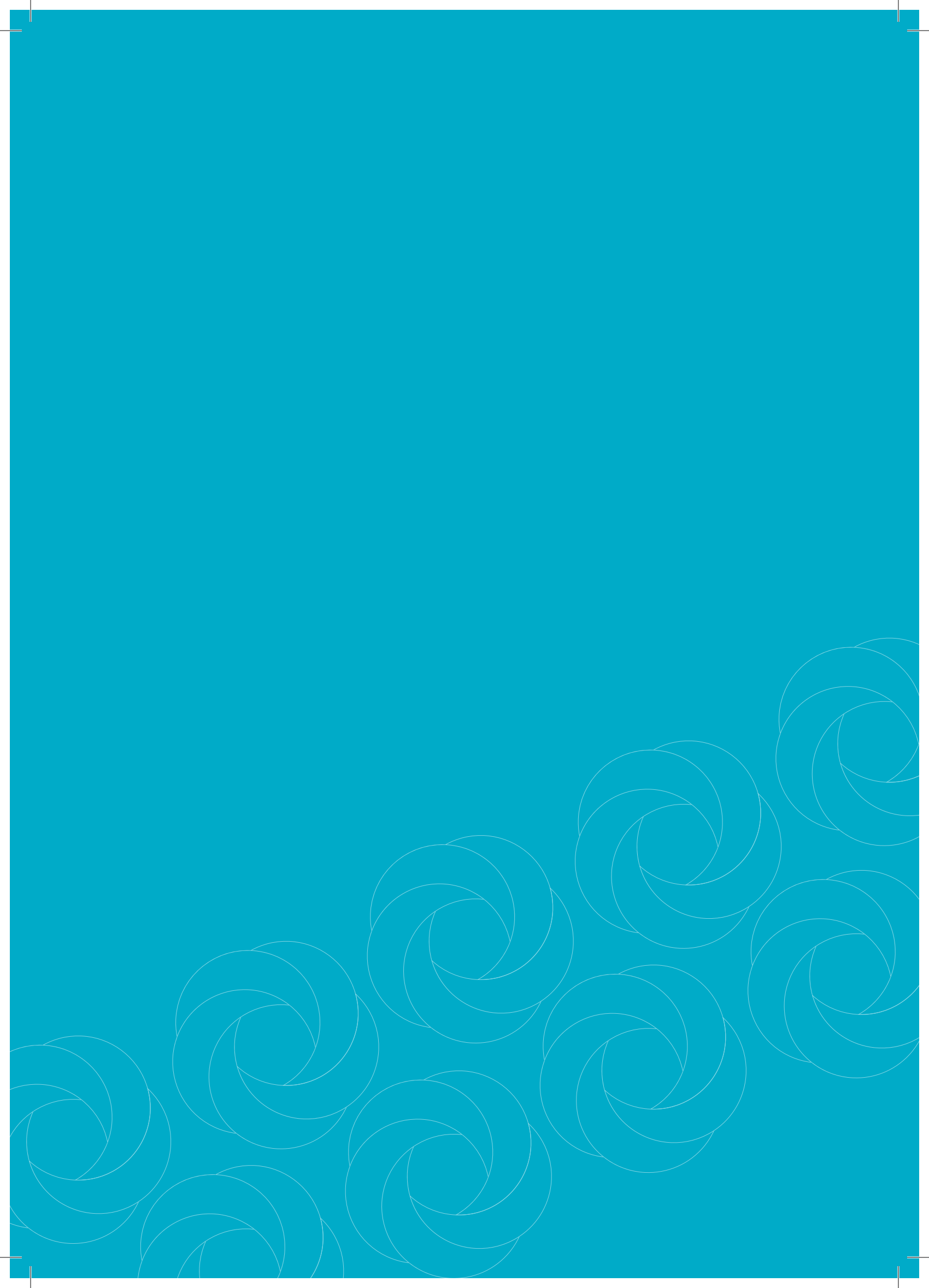
To obtain the Brazilian tax registry (CPF), visit <http://www.receita.fazenda.gov.br/Aplicacoes/ATCTA/CpfEstrangeiro/fcpflng.asp> and follow the instructions; after delivering the required documents, the card will be issued within 24 hours.

3 CONSIGNMENT OF INVESTMENT

The consignment of resources is relatively simple in Brazil, only requiring the invested company's banking information for international consignment. The startup must provide the consignment record along with Brazilian Central Bank through a licensed foreign exchange company.

4 RECEIPT OF DIVIDENDS AND CAPITAL GAIN

Once the startup has profits to distribute or sell its business, the results will be distributed to the partners, including foreign investors, via international consignment of resources; there is no restriction in Brazil for international consignment. The consignment of dividends is usually tax free, and the capital gain is taxed between 15% to 22.5% according to the gain obtained.







Partners:



Host:



MINISTRY OF
FOREIGN AFFAIRS

