

Invitation to Apply to ESA BIC Portugal

Reference: ESA BIC Portugal Open Call – Issue A, 01/09/2022

Thank you for your interest in ESA BIC Portugal.

The European Space Agency (ESA) and its Member States support entrepreneurs with the ambition to exploit space technology, utilise space systems in non-space markets, or become suppliers to the space sector, e.g. by exploiting non-space technology in the space market.

Together with its local partners, ESA manages a network of Business Incubation Centres (ESA BICs) across Europe. In Portugal, Instituto Pedro Nunes is responsible for managing ESA BIC Portugal. The locations where start-ups can be incubated are Aveiro, Braga, Coimbra, Covilhã, Évora, Faro, Funchal, Ilha Terceira, Lisboa, Porto, Santa Maria, São João da Madeira or São Miguel.

ESA BIC Portugal offers a comprehensive package of support to start-ups selected for incubation, including office accommodation, incentive funding, technical support, business coaching, and legal/IPR advice to the start-ups selected for incubation.

ESA BIC Portugal hereby invites you to submit your application for business incubation. This document provides an introduction to the application and evaluation process and contains references to the templates that should be used when applying.

Please contact ESA BIC Portugal for any further questions.

Yours sincerely,

Jorge Pimenta
ESA Space Solutions Portugal Coordinator

Introduction

The purpose of this Open Call for ESA BIC Portugal is to inform about the opportunity for space-related start-ups to become incubated in ESA BIC Portugal and to provide the material and guidance needed to apply for incubation.

Selection and evaluation of applications are scheduled periodically, see <http://space.ipn.pt> for details.

The Call is permanently open, has no closing date for the submission of applications unless the ESA BIC Portugal has indicated otherwise (namely, when it publishes and duly confirms submission deadlines).

Who can apply?

In general, any space-related start-ups in Portugal not older than five years, or natural persons with the intention to set up a space-related start-up, are welcome to apply for incubation.

However, some further criteria apply. These can be found in the Cover Letter Template of the application documents.

In particular, please note the following:

- The application needs to have a valid *space connection*. In general terms this means that it must be evident that “space” (space technology or a space based service such as satellite communication, navigation or earth observation) is actually needed. Alternatively, it must be evident that the proposed technology or service can actually be used in a space context. In case of doubt, please contact the ESA BIC for further guidance.
- Applicants need to run their start-up at their own risk. In practice this means that more than half of the shares must be owned by the entrepreneur(s) that apply to the ESA BIC.
- In case the application is done by natural persons, these need a permanent working permit in Portugal. Also, the process of setting up a company must have been started. The application shall include details about the status, the intended legal structure, and the shares distribution. An incubation contract can only be signed with a legal entity.

How to apply

Please make sure you have received the following documents, which are part of the Open Call documentation:

- Cover Letter including Requirement Checklists
- Business Plan
- Incubation Proposal
- Draft Incubation Contract
- Draft Rental Agreements (subject to prior contact with ESA BIC PT or local incubator)

Make sure to fill in all required sections in the application templates and pay particular attention to the following:

- Instructions inside the documents (**highlighted in blue in each template**) shall be followed in order to fulfil all pre-conditions of the Open Call and for the application to be accepted.

- Please read the Draft Incubation Contract carefully. The Cover Letter must include a clear, explicit and unambiguous statement declaring that the applicant has read, understood and accepted the terms and conditions contained in the contractual documentation (this is part of the Cover Letter template). Modifications or amendments to the Incubation Contract may only be done in exceptional cases. Please contact the local ESA BIC Manager for guidance.
- Make sure the Cover Letter and the Requirement Checklists are signed by either the majority shareholder or by shareholders with a combined ownership in excess of 50%.
- The incubation proposal should indicate the funding modality chosen: option A or option B.
- The proposal should include the details on how the incentive funding is meant to be spent. Note that, as a general rule, the incentive funding has a ceiling of 50.000 EUR (Option A). It can only be spent in Portugal, may not be used for direct labour costs, and can only be used for product development and IPR. Please see the Draft Incubation Contract for details.
- If you wish to apply for Option B, this comprises an extra funding provided by Portugal Capital Ventures – Sociedade de Capital de Risco, S.A. (“Portugal Ventures”). The initial funding will be granted by ESA BIC Portugal (25.000 EUR) and through funds apportioned by Portugal Ventures (25.001 EUR). The latter will invest partially through the acquisition/subscription of a minority share/*quota* in the share capital of the start-up company and partially through convertible notes (*prestações acessórias/suplementares*). Additionally, if some milestones are fulfilled by the applicant and Portugal Ventures decides on its exclusive criteria that an extra amount is necessary to execute the project, the additional sum of 75.000 EUR can be invested in the project through convertible notes (*prestações acessórias/suplementares*). Please indicate in the incubation proposal and include details on how the additional funding is meant to be spent. Please see the Draft Incubation Contract for details and the Q&A document for detailed terms.
- Incubation in ESA BIC Portugal may be requested for a maximum of 24 months.

Please submit the application documents in electronic form (pdf, maximum three files, one for each required document) to the following e-mail address: space@ipn.pt with subject “ESA BIC Portugal Open Call”.

ESA BIC Portugal will verify the identity of applicants. You are requested to send digital copies of a passport etc. in a separate file together with your application.

Any questions related to submission of proposals should be sent to the same e-mail address: space@ipn.pt.

The evaluation procedure

The evaluation of all received applications is managed locally by ESA BIC Portugal and follows common ESA BIC procedures.

Once a published submission deadline has passed, ESA BIC Portugal first assess the formal aspects of applications received before the submission deadline. If a non-compliance of a minor nature is found, the applicant may be asked to address this in an updated proposal within 48 hours. If the proposal is found non-admissible, the applicant will be informed and the reason will be explained. In such a case an applicant is eligible to submit a revised proposal at a later date.

If the application is compliant with the formal requirements, applicants will be invited to hold a presentation to the ESA BIC Portugal Evaluation Board. The evaluation will typically take place a few weeks after the submission deadline. The evaluation board consists of representatives of ESA BIC Portugal, ESA, Portugal Space, ANACOM, Portugal Ventures (if option B is chosen), local incubators and other experts. There will also be an opportunity for the evaluation board to ask questions to the applicant.

The application and the presentation will be marked against the criteria in Table 1, taking weighting factors into account.

Criteria	Weighting factor
Background and Experience <ul style="list-style-type: none"> ● Experience and team composition ● Support entities ● Vision 	25%
Technology/Service <ul style="list-style-type: none"> ● Space Connection ● Technical feasibility of the product/service to be developed ● Production development strategy ● Intellectual Property strategy 	20%
Value proposition & Market <ul style="list-style-type: none"> ● Value proposition ● Market ● Competition 	20%
Business Modelling and Risk <ul style="list-style-type: none"> ● Revenue model ● Finance ● Risk 	15%
Activity proposal <ul style="list-style-type: none"> ● Quality of the application ● Milestones/Cost-planning ● Work break-down ● Management ● ESA BIC investment opportunity 	20%

Table 1: ESA BIC evaluation criteria and weighting factors.

If Option B is chosen, during and after the evaluation Portugal Ventures can request additional information regarding the project or the founders and any and all information necessary for Portugal Ventures' to comply with its legal obligations, anti-money laundering and counter terrorist financing obligations and with its internal policies, including Customer Acceptance Policy.

Portugal Ventures' decision to invest, if option B is chosen, will be also based on its respective evaluation criteria and weighting factors.

All applicants will be notified in writing about the outcome of the evaluation.

ESA BIC Portugal will enter into contract negotiations with successful applicants, taking the comments of the evaluation board into account. If option B is chosen, and Portugal Ventures decides to invest, Portugal Ventures will participate in the negotiations with the successful applicants. ESA BIC Portugal and Portugal Ventures, when applicable, has the right *not* to place a contract if, three months after the notification to a successful applicant, no contract still has been signed, and this is because of a reason for which the applicant can be held accountable.

Additionally, ESA BIC Portugal and Portugal Ventures have the right not to place a contract in case the (intended) legal entity presented in the application is different from the actual established and registered legal entity.

Furthermore, we kindly ask you to pay attention to the following:

- Please note that applications will be treated as confidential, including all entities that are part of the ESA BIC Portugal Evaluation Board and that will have access to all information regarding the applications, which are binded by written confidentiality agreements. However, the applicant's idea/project may through this application fall into the public domain (e.g. if local laws require so, or through subsequent acts of disclosure performed by the applicant). Therefore, we strongly recommend that the applicant discusses the protection of his/her idea/project with a dedicated expert in this field prior to application, and – if relevant – takes appropriate steps to protect the idea (e.g. by applying for a patent or other IP protection).
- As far as allowed by law, any title held by the applicant to his/her idea shall remain vested in him/her. An application to ESA BIC Portugal will not result in the acquisition of any title whatsoever to the idea, except in the event that *ESA exercises its right to use Intellectual Property, in specific cases and under specific requirements. Please read the detailed conditions described under the section "Use of Intellectual Property Rights" in the Draft Incubation Contract.*
- No expenses incurred in either stage of the application procedure will be reimbursed to the applicant by ESA BIC Portugal, ESA, Portugal Ventures (if option B is chosen) and/or any third party.
- This Open Call does not impose any obligation upon ESA BIC Portugal and Portugal Ventures (if option B is chosen) to enter into negotiations with any applicant.