

# Parallel18 startups raise investment to expand operations in Puerto Rico

*Brands of, Timokids y Be Better Hotels secured investments for \$675,000 from private equity firms and the Puerto Rico Science, Technology and Research Trust*

**San Juan Puerto Rico (11 de julio de 2017)**- The [Puerto Rico's Science, Technology and Research Trust \(PRSTRT\)](#) will invest US \$225,000 through the second round of the follow-up fund Parallel18 Ventures. The fund carries the name of accelerator [Parallel18](#) (P18) and was awarded to three startups of P18's second generation. Each will receive US\$75,000 in exchange for stocks or convertible notes, as a match to private capital raised by the companies.

The selected ventures are: Puerto Rican startup [Brands Of](#), Brazilian [Timokids](#), and [Be Better Hotels](#) from Argentina. The combined capital raised by the three companies sums USD \$675,000 from investors, mainly in the United States, including Parallel18 Ventures. As a condition to receive the funds, each startup is required to keep operations in Puerto Rico and hire, at least, 5 full-time employees in the Island in the next 2 years.

Parallel18 Ventures is a follow-up fund designed to co-invest in promising startups fresh out of the accelerator. With the program, the PRSTRT matches



private capital raised by the entrepreneurs up to US\$75,000, in exchange for stocks or convertible notes.

"The companies selected for this round represent industries directly related with areas identified as important for Puerto Rico's economic development, such as Education, Small and Medium Businesses, and Tourism. But they go beyond, with a vision that reaches global markets, a focus that has greater impact in the long term," said Lucy Crespo, Chief Executive Office of the PRSTRT.

She also mentioned that the PRSTRT plans to keep its stocks in the startups for a limited time, as the target for Parallel18 Ventures is to achieve liquidity so that.

Meanwhile, Sebastian Vidal, Executive Director of the accelerator, said that all the capital, excluding Parallel18 Ventures, raised by the startups came from funds outside of Puerto Rico. "That's new money that enters the economy to hire local employees and service providers,".

Also, from Vidal's perspective, the external investments in these three startups gives greater visibility in the private equity industry to other innovative ventures in the Island raising capital.

"Brands Of started in Puerto Rico and it keeps growing to other countries with roots well established here. And then there's Timokids, original from Brazil, but that relocated its operations to the Island to have a more convenient location for global expansion; meanwhile, Be Better Hotels found here an ideal hub to

command its regional growth. We expect to see more opportunities like these as the local entrepreneurial and investment ecosystems gain more traction," pointed out Vidal.

## **Support for accelerated growth**

Paralle18 Ventures received 13 applications for its second round from startups that participated in the accelerator's second cohort that was comprised of 28 startups. Brands Of, Timokids and Be Better Hotels were selected through a competitive process in which a committee of executives from the PRSTRT, including Paralle18 directors, evaluated all the applications. The companies also had to show proof of other fundraising negotiations.

Brands Of, known locally as Brands of Puerto Rico, offers Latin American entrepreneurs the digital tools needed to export their products and expand their businesses. Through a set of e-commerce platforms, each dedicated exclusively to the products by local brands from a specific country, they provide the entrepreneurs with a new targeted sales channel, and analysis of business intelligence in order to help them improve the way they market their brands and products to consumers all over the world.

"Being part of Paralle18's second generation has been fundamental to our growth and regional expansion. What helped us the most was the ability to work every



day and grow alongside a group of entrepreneurs from different countries, as it really pushed us to look beyond the '100 x 35' where we live. Now, with the support of Parallel18 Ventures and our new partner Hunt Holdings, we can strengthen our presence in Central America and the Caribbean, and head to other markets throughout the Americas, such as Mexico. At the same time, it allows us to position Brands Of as a key player in the region's e-commerce and consumer market research industries. Now, more than ever, "#wearemorethan100x35," stated Alan Taveras Sepulveda, who founded Brands Of with his brother, Nestor Taveras Sepulveda.

Meanwhile, Timokids is an edutainment, multi-language app that helps parents and teachers, through stories and games, talk to kids about important issues that they have to face during their growth. With a curated and exclusive methodology, it creates and delivers safe and accurate content about bullying, social behavior, prejudice and many others, always in a fun and playful way.

Fabiany Lima, founder of Timokids, commented that the strategy to establish operations in Puerto Rico attends to several goals of the growing company, that started in Brazil in 2014. In particular, Lima pointed out to the ability to hire high quality employees with the skills required to work with different languages and cultures, and the location of the island, close to the U.S. market and investors.



"Our app has been very successful in Brazil, but we saw that there was a huge demand for this kind of content in multiple languages. Today, Timokids is used by children and families in 197 countries, and that makes us incredibly proud, but also represents a number of challenges from the business operational side, but also with hiring new talent and finding service providers that can adapt to our new international focus. As a founder, I believe Puerto Rico has what Timokids needs to continue growing," said Lima about her decision to relocate to the Island.

The third company from Parallel18 Ventures second round is Be Better Hotels, from Argentina but recently established in Puerto Rico. This company's mission is to enable independent hoteliers to thrive in the digital era of the travel industry. They offer a SaaS (Software as a service) platform with a set of tools that allow hoteliers to create modern web sites that are mobile friendly; receive reservations with instant confirmation without intermediaries; manage daily chores, such as housekeeping, guests accounts, check-in and check-out, with precise statistics; and promote their hotel through multiple sales channels.

"Small hotels today are at a disadvantage with big hotels and giant online booking companies, like Despegar or Booking.com. On one side, they don't have the same resources to overcome the challenges of the modern hospitality industry, and on the other, they are handing over the control of their marketing



capacity to powerful intermediaries," explained Francisco Reno, Chief Marketing Officer of Be Better Hotels. He added that the company has partnered with strong players in the tourism and e-commerce markets, such as Trivago, Trip Advisor and PayPal.

"Our platform has pretty good traction in South America, and we were interested in the Caribbean market, where there is a significant number of independent hoteliers. Puerto Rico and Parallel18 presented the ideal opportunity to launch that expansion and grow our team with talented people who are bilingual and understand the hospitality industry in the region," said Reno, part of the executive team based in the Island.

## A new batch of startups get ready for the investors

This Friday, July 14th, over 30 entrepreneurs will pitch their business to attract investors and potential clients at Parallel18's third Demo Day. At the event, local and international investors and the local business community will see the startups' progress after 5 months in the accelerator. Brands Of and Timokids both received funding from an investor who met them during their cohort's Demo Day. The event starts at 8:30 am in the Emilio Belaval theater at Universidad del Sagrado Corazon in Santurce, as part of partnership with the local university. To



attend in person, you need to register through [Eventbrite](#); for those who can't make it to Santurce it will be streamed live. For more information about the streaming, the Demo Day and the participating startups, visit <http://parallel18.com/demoday.html>

### **Sobre Parallel18 y el Fideicomiso de Ciencia, Tecnología e Investigación**

Parallel18 es una iniciativa de desarrollo económico que busca atraer y crear empresas tipo startup de alto impacto que puedan escalar desde Puerto Rico a comunidades globales más allá de la Isla, incluyendo Estados Unidos, Latinoamérica y Europa. La misión del programa, operado de forma conjunta con el Fideicomiso de Ciencia, Tecnología e Investigación, y en colaboración con PRIDCO (Compañía de Fomento Industrial de Puerto Rico) y el DDECC (Departamento de Desarrollo Económico y Comercio de Puerto Rico) es expandir, en el corto plazo, los horizontes de emprendedores puertorriqueños e internacionales, y generar actividad económica a largo plazo. Para más información, visite: [www.parallel18.com](http://www.parallel18.com). El Fideicomiso para Ciencia, Tecnología e Investigación, según descrito en la Ley Pública 214, es una organización sin fines de lucro creada en el 2004 para impulsar la participación y creación de empleos de la Isla en la economía global del conocimiento al promover la inversión y el financiamiento de la investigación y el desarrollo de la ciencia y la tecnología. Al invertir en la investigación y la comercialización de la tecnología, el Fideicomiso sirve de catalizador para la creación de empleos y la retención de los residentes de la Isla altamente cualificados y a menudo bilingües. Es también responsable de la política pública de Puerto Rico para la ciencia, la tecnología, la investigación y el desarrollo. Para más información: [www.prsciencetrust.org](http://www.prsciencetrust.org).

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