



TELEFÓNICA OPEN FUTURE_ AND BIGML CREATE PRESERIES, A JOINT VENTURE FOR EARLY STAGE INVESTMENT

The Catalyst Fund, managed by Bankable Frontier (BFA) and supported by the Bill & Melinda Gates Foundation and JPMorgan Chase & Co, will use Machine Learning to select financial inclusion startups for pre-seed funding.

VALENCIA, March 9, 2016 — Telefónica Open Future_ and BigML have created one of the first automated platforms that predict the probability that a startup, even in its very early stages, will be successful. Its first client, the Catalyst Fund, will employ the PreSeries Machine Learning technology to evaluate and select early stage startups for its fintech portfolio. Machine Learning promises to complement the human side of fund management and convert it into a highly efficient process. The predictive algorithms are capable of producing a score that investors can use to qualify startups for funding. Thus, the robust data could reduce biases in the selection of startups, lower management overhead and optimize monitoring and evaluation of the investment. Learn more by visiting this [blog post](#).

PreSeries, a joint venture between BigML and Telefónica Open Future_, is the world's first automated early stage investing tool built on top of BigML's Machine Learning platform. The ever increasing data available about companies, people, successes and other events can be harnessed by the PreSeries Machine Learning technology to detect patterns that help investors:

- Identify new potential investments
- Track the performance of their portfolios
- See the potential impact of certain decisions, such as new hires, company location and others

PreSeries starts accepting Beta requests on March 15, after the [PAPIs Connect 2016](#) conference in Valencia, where the world's first [startup battle](#) will take place and in which the winner will be chosen by the algorithm alone without any human intervention -- something that has never been done before.

For Ana Segurado, Telefónica Open Future_ Global Manager, this joint venture is a win-win for entrepreneurs and investors: “Early stage investing is very complicated, and even the brightest ideas can get nowhere due to a bad execution of their business plan. In the last years, we have seen that around 80% of the startups we meet fail in the first 5 years of development. With the implementation of this innovative and must have technology we can mitigate the risk involved in investing in new business and help the startups implement a better business model to secure their future, what will lead to optimize the business environment for the whole innovation ecosystem”.

[Catalyst Fund](#) is an innovative grant fund, managed by BFA (Bankable Frontier Associates) and fiscally sponsored by Rockefeller Philanthropy Advisors, that deploys capital and advisory services to promising inclusive fintech startups to get investment ready. Supported by the Bill & Melinda Gates Foundation and JPMorgan Chase, the fund also has the guidance of impact investors Accion, Omidyar Network, Gray Ghost Ventures and Quona Capital. The fund launched last December and will be active until end of 2018. While the Catalyst Fund and BigML collaboration will formally be announced at the PAPIs Connect conference, both parties will continue to explore ways to apply the PreSeries technology to other BFA fintech projects along with other partners.

“This approach could help trigger more investment in markets that are poorly served by venture capital. Thanks to the increasing adoption of smartphones, large amounts of user data are becoming available, which are tremendously valuable in better understanding low-income consumers and designing more appropriate products for them”, says David Del Ser, Fintech Practice Director at BFA. “We are just beginning to learn how to unleash big data in financial inclusion and recognize the implications for economic development.”

ABOUT Telefónica Open Future_

Open Future_ is the open innovation program that embodies Telefónica’s global commitment to develop and attract talent and entrepreneurship, gathering all the open innovation activities and projects across Telefónica since 2014 into a single organization. Through social entrepreneurship and commitment to youth entrepreneurship initiatives, Think Big and Talentum; Crowdfunding spaces; the Wayra accelerators and Telefónica and Amerigo Ventures investment funds, powers and invests in people, ideas and viable technology based projects at any stage of growth, openly and in connection with public and private organizations. With a portfolio of over 850 accelerated startups, more than 600 invested startups inverted and offices in 17 countries in Latin America, Europe and Asia startups, Telefónica Open Future_ helps turn innovative ideas into successful business.

www.openfuture.org.

ABOUT BigML

BigML is a leading Machine Learning company that helps other businesses make highly automated, data-driven decisions. BigML was founded in 2011 in Corvallis, OR, USA and made its European expansion official by opening its European headquarters in Valencia, Spain

in July 2015. The company has pioneered the Machine Learning as a Service (MLAAS) wave of innovation through its consumable, programmable, and scalable software platform streamlining the creation and deployment of smart applications powered by state-of-the-art predictive models. To date, BigML has 15 patent applications, more than 25,000 customers from 120 countries and \$5M in venture capital investment. In addition to commercial activities, BigML is playing an active role in promoting Machine Learning in education around the world through its rapidly expanding ambassador program thanks to active participation from top universities in diverse geographies such as North America, Europe and Africa, making real BigML's motto: "Machine Learning made beautifully simple for everyone". Please visit www.bigml.com for further details.

ABOUT BFA

BFA (Bankable Frontier Associates) is a global consulting firm specializing in the development of financial services for low-income people around the world. Its approach is to seek out, create and implement solutions to the challenges faced by low-income people in managing the financial matters that underpin their lives. BFA purposefully partners with cutting-edge financial and nonfinancial institutions that touch the lives of low-income customers. In creating solutions, BFA integrates its deep expertise in customer insights, business strategy, new technology and growth-enabling policy & regulation. Founded in 2006, its clients include donors, investors, financial institutions, policymakers, insurers and payment service providers. BFA has offices in Boston, New York and Nairobi. For more information, please visit: www.bankablefrontier.com.

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