

INVESTMENT in STARTUPS in SPAIN in 2015

Venture Capital Overview

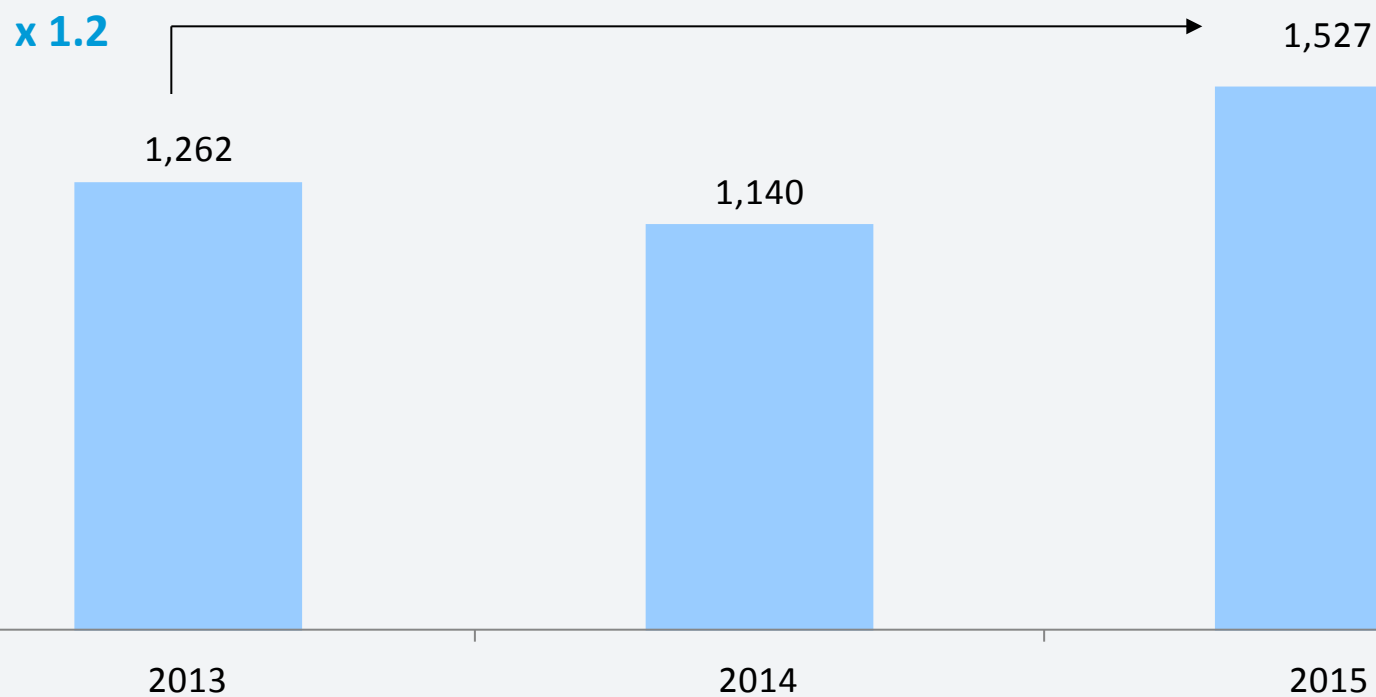
BACKGROUND

- Focus on Innovative Spanish Companies in early stages (**startups**) receiving external investments.
- **Data obtained** confidentially **from investors** (public/private) with formal investment vehicles or instruments.
- Only **companies incorporated in Spain** (including examples of re-domestication) and **money effectively invested** (as compared to investment commitments) are accounted for.

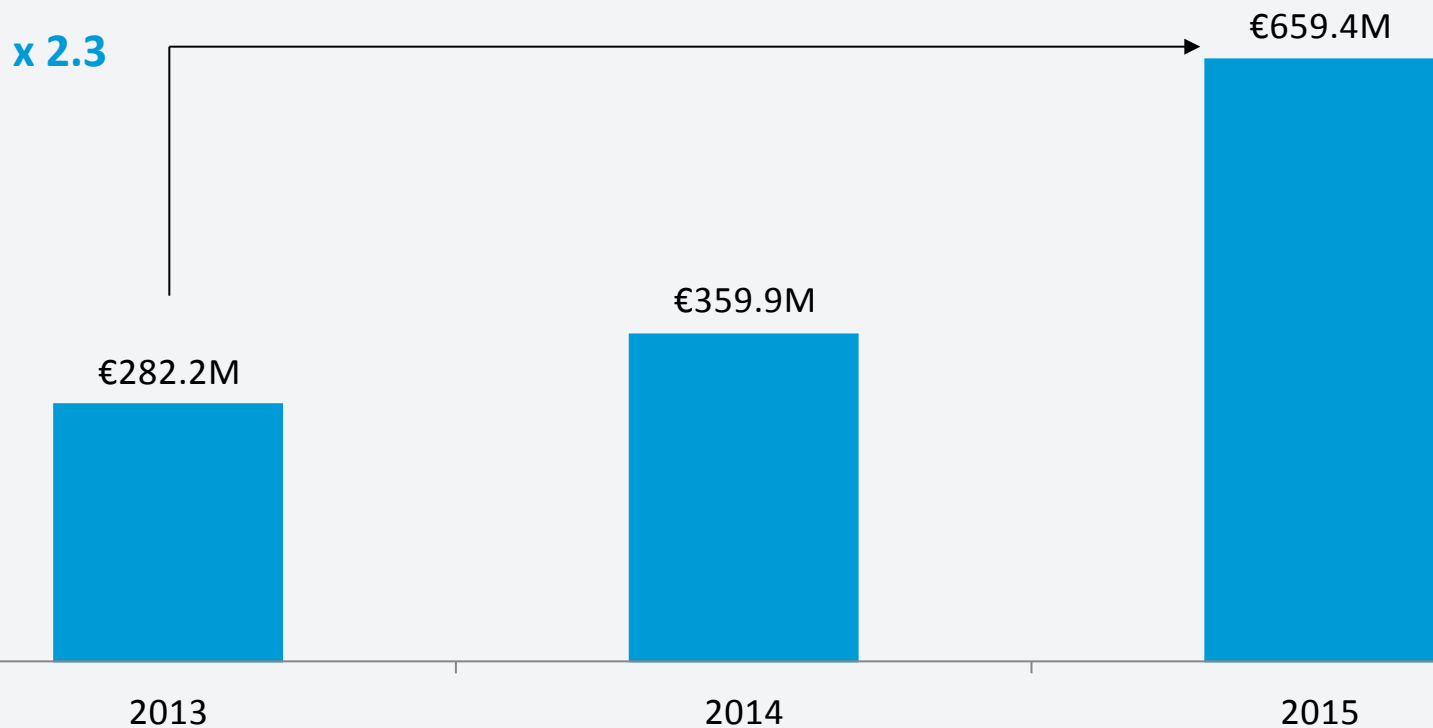
GENERAL HIGHLIGHTS

2015

2015 – Record Year for Investment in Startups – 1,527 investments*



2015 – Record Year for Investment in Startups – €659.4M (+83%)



AVERAGE INVESTMENT PER TRANSACTION

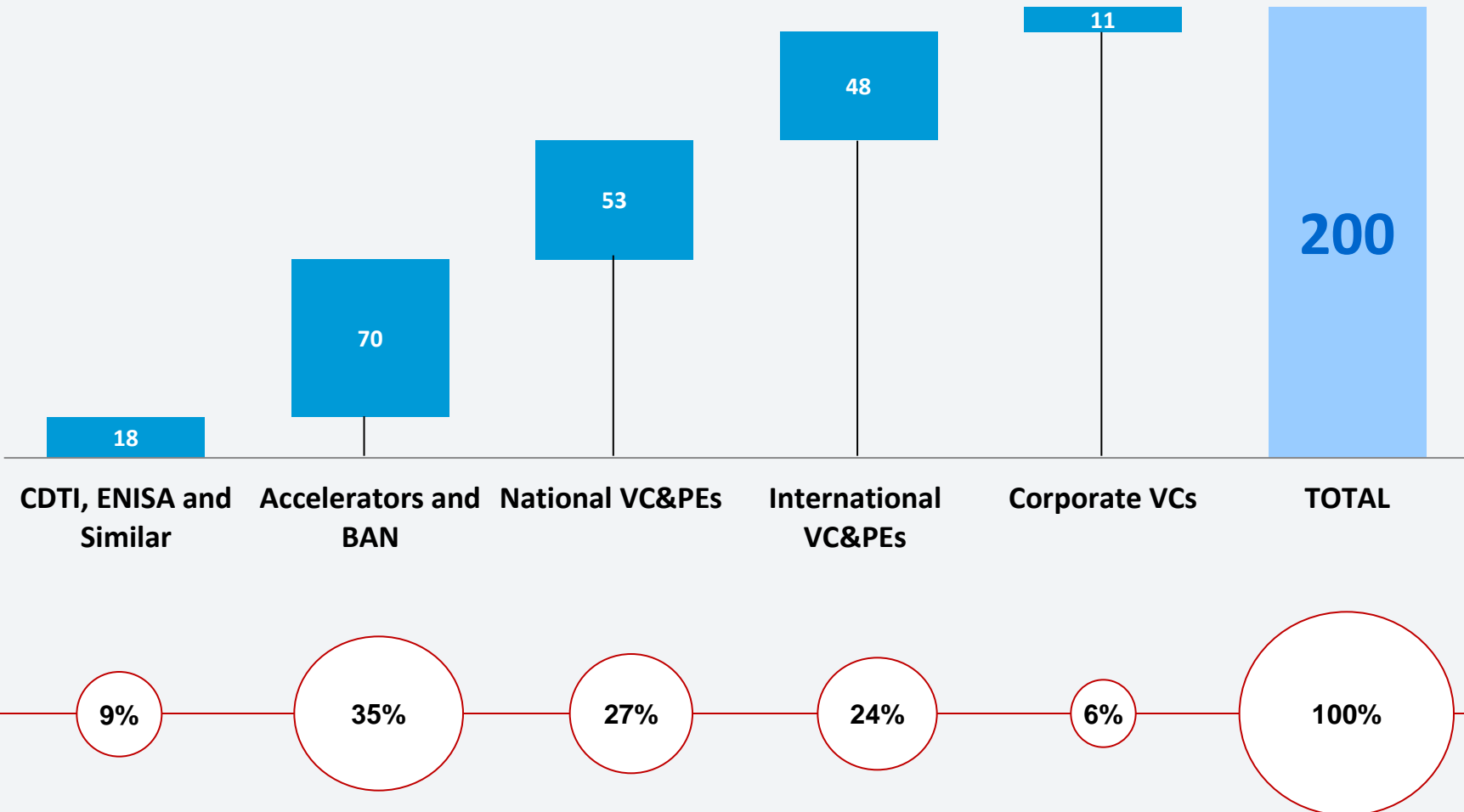
€224K

€316K

€432K

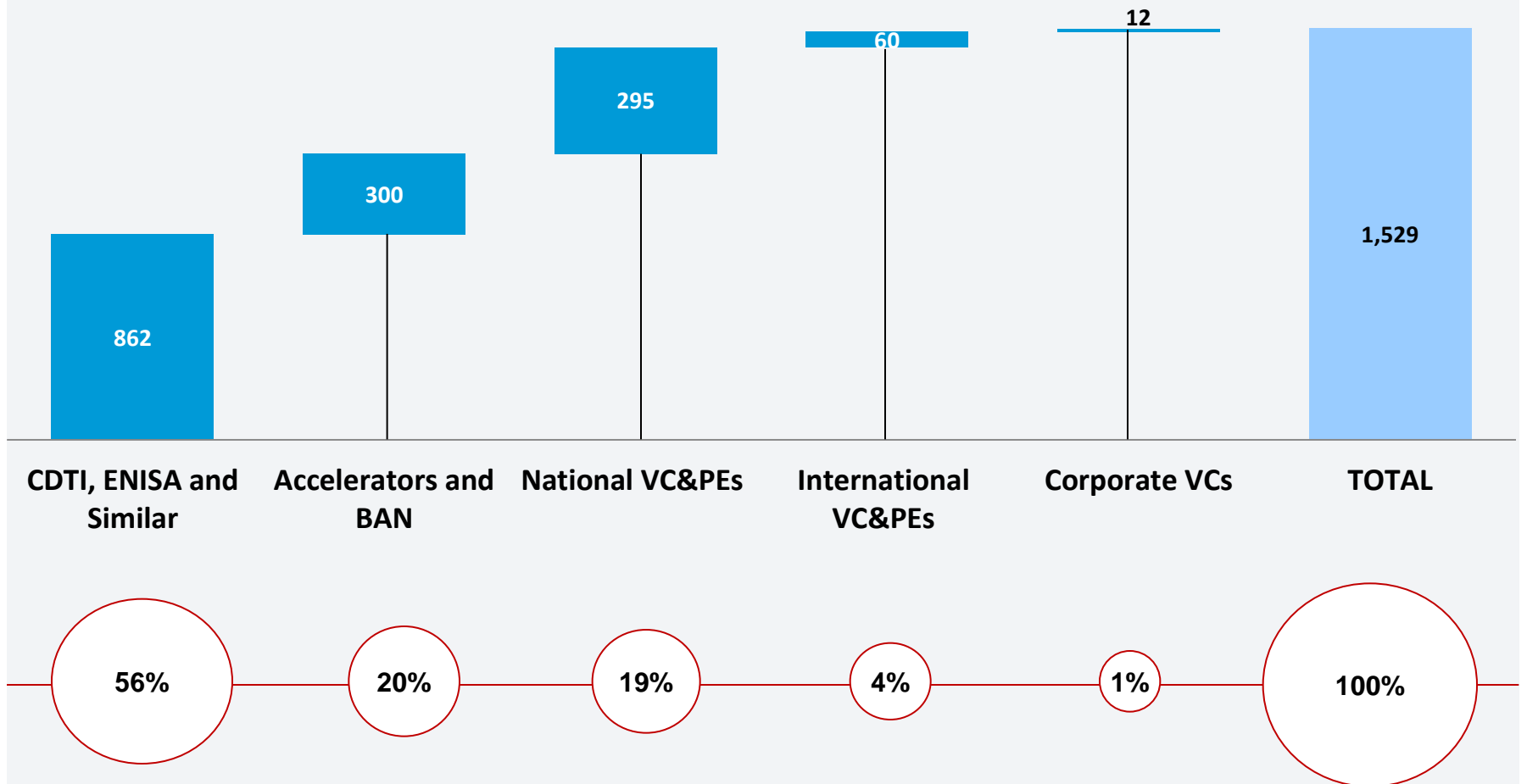
High Investor Diversity (200)

No. of Investors by Category (2015)



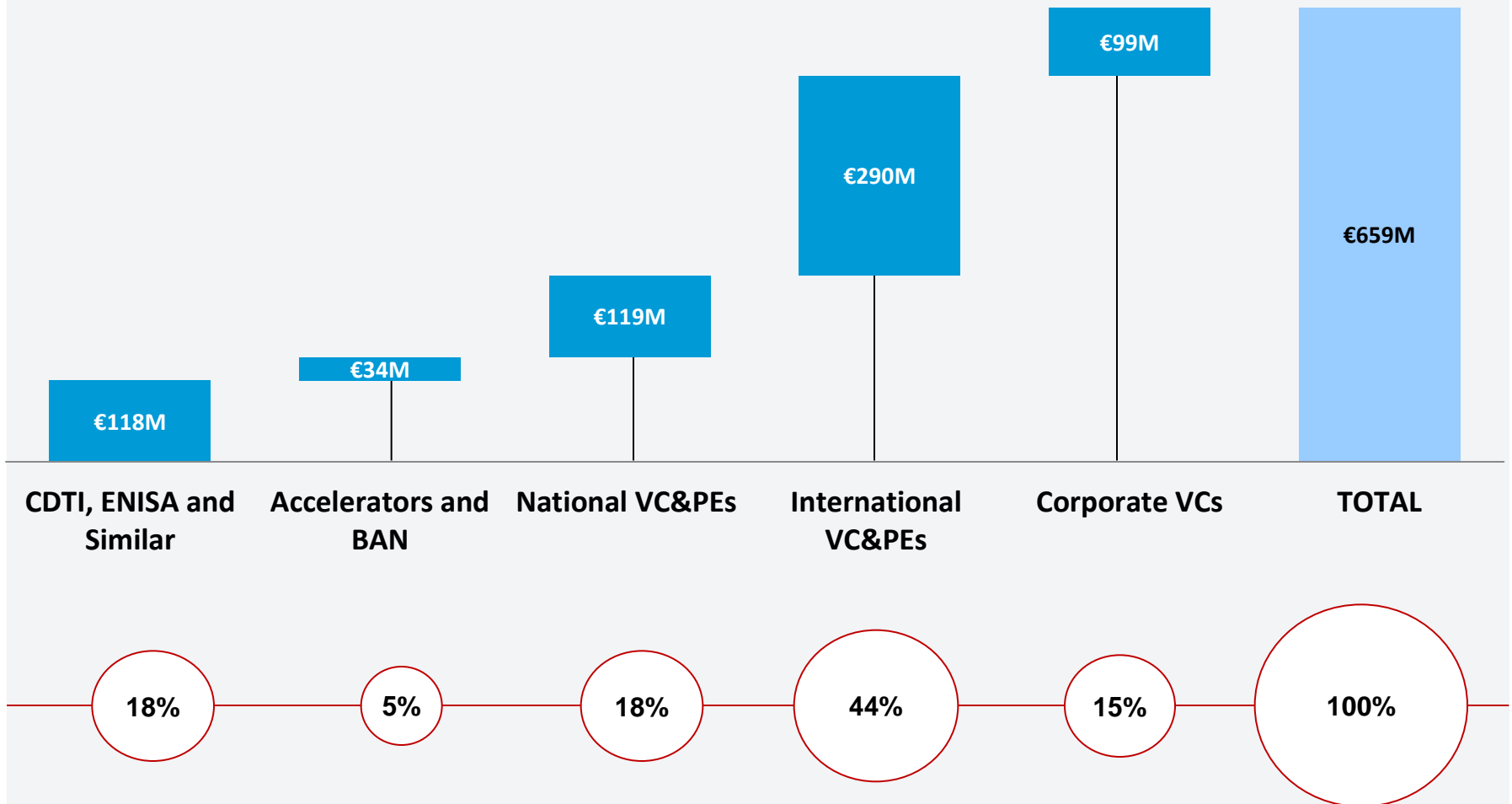
Public investors accounted for 56% of investments*

No. of Investments by Category (2015)



But foreign VCs accounted for 44% of euros invested

Amount Invested by Category (2015)



Investment distribution* by Autonomous Community

	2013	2014	2015	
Catalonia	371	374	502	32.9%
Madrid	355	287	394	25.8%
Autonomous Community of Valencia	162	168	182	11.9%
Andalusia	62	60	89	5.8%
Galicia	38	29	65	4.3%
Basque Country	39	38	62	4.1%
Aragon	30	42	41	2.7%
Castille-La Mancha	15	18	39	2.6%
Murcia	27	31	39	2.6%
Navarra	24	19	27	1.8%
Asturias	38	22	20	1.3%
Balearic Islands	15	8	19	1.2%
Castille and León	37	19	16	1.0%
Extremadura	21	12	12	0.8%
La Rioja	7	6	7	0.5%
Canary Islands	8	6	6	0.4%
Cantabria	12	1	6	0.4%
Ceuta/Melilla	1	0	0	0.0%
Total	1,262	1,140	1,526	

* Investment = individual ticket per investor, one round has as many investors as tickets

Investment distribution (€M) by Autonomous Community

	2013	2014	2015	
Catalonia	89.4	196.0	371.0	56.3%
Madrid	80.3	79.5	160.5	24.3%
Autonomous Community of Valencia	27.4	22.8	30.5	4.6%
Andalusia	11.6	13.7	24.5	3.7%
Balearic Islands	0.8	2.8	13.2	2.0%
Basque Country	8.0	10.3	11.6	1.8%
Extremadura	2.6	4.2	9.8	1.5%
Galicia	15.7	3.7	8.3	1.3%
Navarra	13.9	6.1	7.3	1.1%
Castille-La Mancha	2.7	3.8	6.4	1.0%
Murcia	3.4	4.5	5.1	0.8%
Castille and León	13.5	5.3	3.2	0.5%
Aragon	2.7	2.9	3.2	0.5%
Asturias	6.7	3.5	3.1	0.5%
La Rioja	1.2	0.4	0.8	0.1%
Cantabria	1.4	0.1	0.5	0.1%
Canary Islands	1.0	0.4	0.4	0.1%
Ceuta/Melilla	0.1	0.0	0.0	0.0%
Total	282.2	359.9	659.3	

KEY INVESTORS BY TYPE

1- Accelerators and BAN

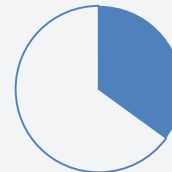
1 – Incubators / Accelerators, Crowdfunding Platforms and BAN

Key Actors 2015

ESADE BAN / IESE / Crowdcube / capital cell / start up Explore / Wayra / BStart Up / Fundación Repsol / KIC Innoenergy / Lanzadera

Key Data 2015

▪ No. of Investors

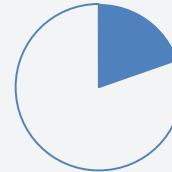


70;
35%



200

▪ Total No. of Transactions



300;
20%



1,527

▪ Total Amount Invested (€M)



34;
5%



659

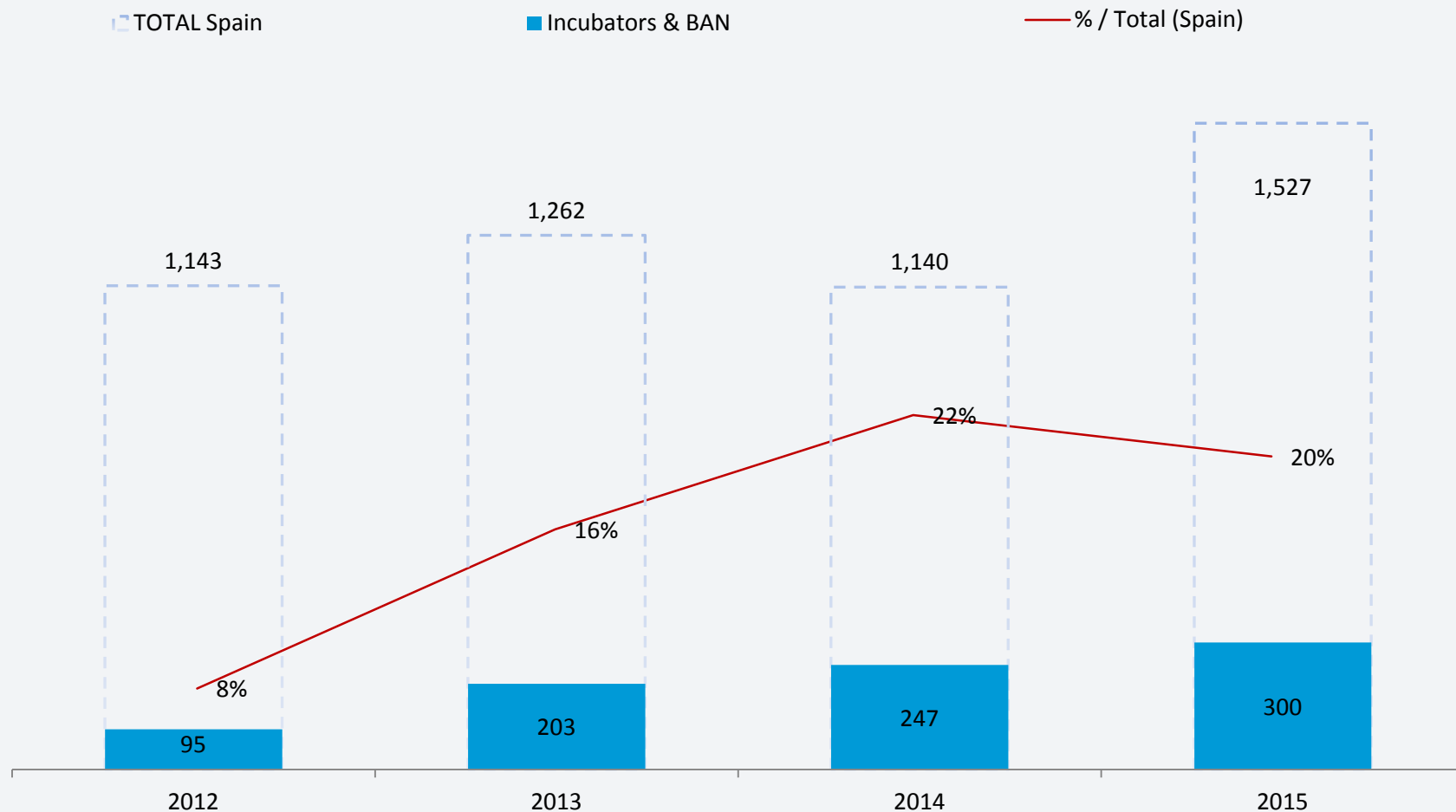
▪ Avg. Transaction Amount

€114K

€432K

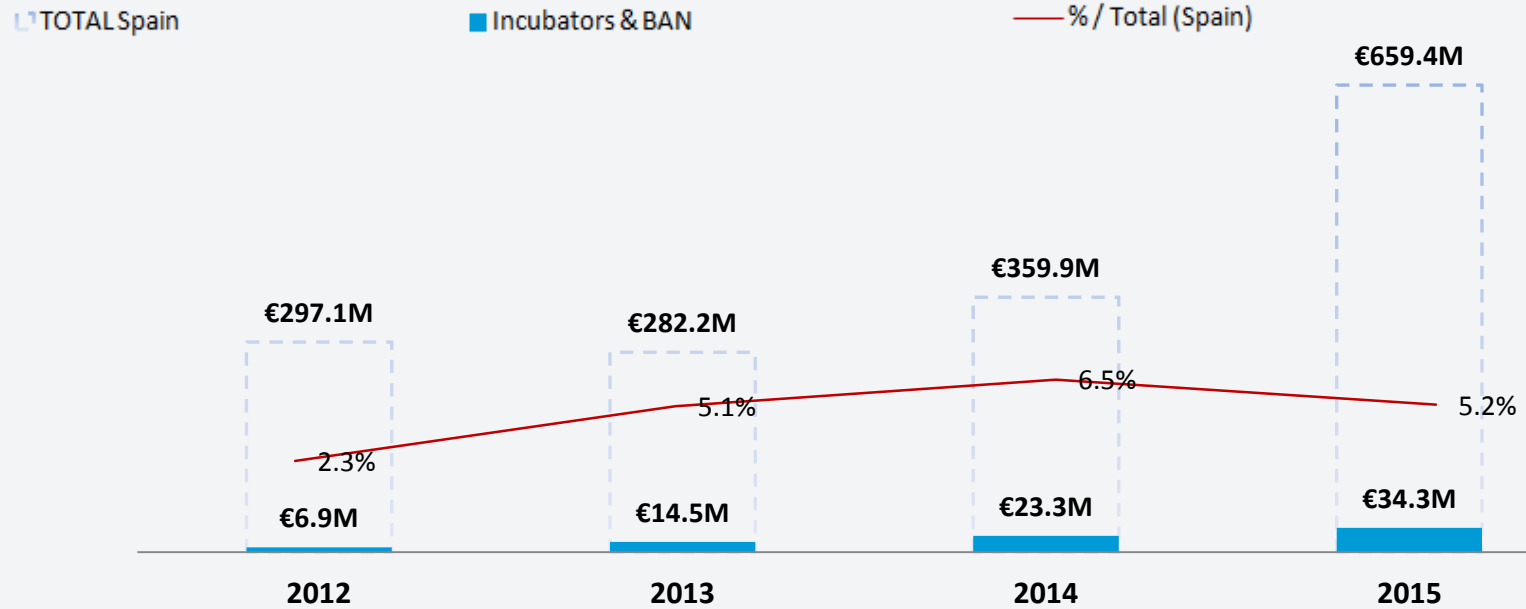
1- Accelerators and BAN

Change in No. of Transactions



1- Accelerators and BAN

Amount Invested (€M)



AVERAGE INVESTMENT PER TRANSACTION

€73K

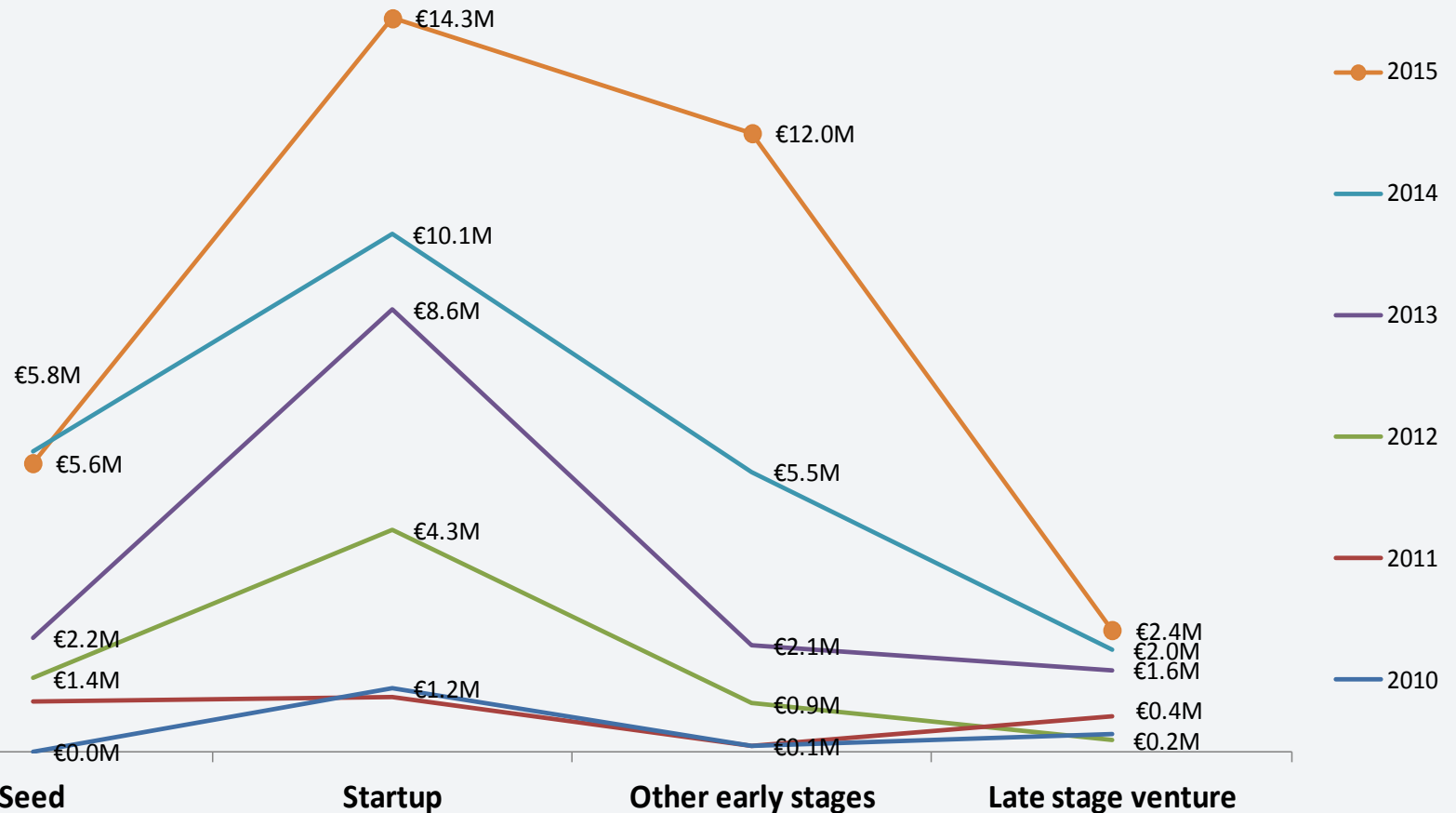
€11K

€94K

€114K

1- Accelerators and BAN

Amount Invested by Category (€M)



2- CDTI, ENISA and Similar

2- CDTI, ENISA and Similar

Types of public investment:

Investors or vehicles for **equity loans** / unsecured loans (whether through co-investment or not)

→ leverage investment of private investors or demand private co-investment

Public venture capital and private equity funds (primarily regional) with **equity** investments in companies

→ participate in the capital of companies individually or jointly with private VCs

2- Public Investors

Key Actors

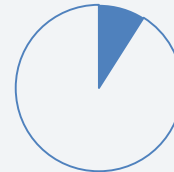
CDTI / ENISA / AXIS / SEPIDES

ICF / IVACE / XES GALICIA / SPRI / SEED Capital / ...

Key Data 2015

- No. of Investors
- Total No. of Transactions
- Total Amount Invested (€M)
- Avg. Transaction Amount

Category



18;
9%



769;
50%



91;
14%

€118K

Total (Spain)



100% 200



100% 1,527

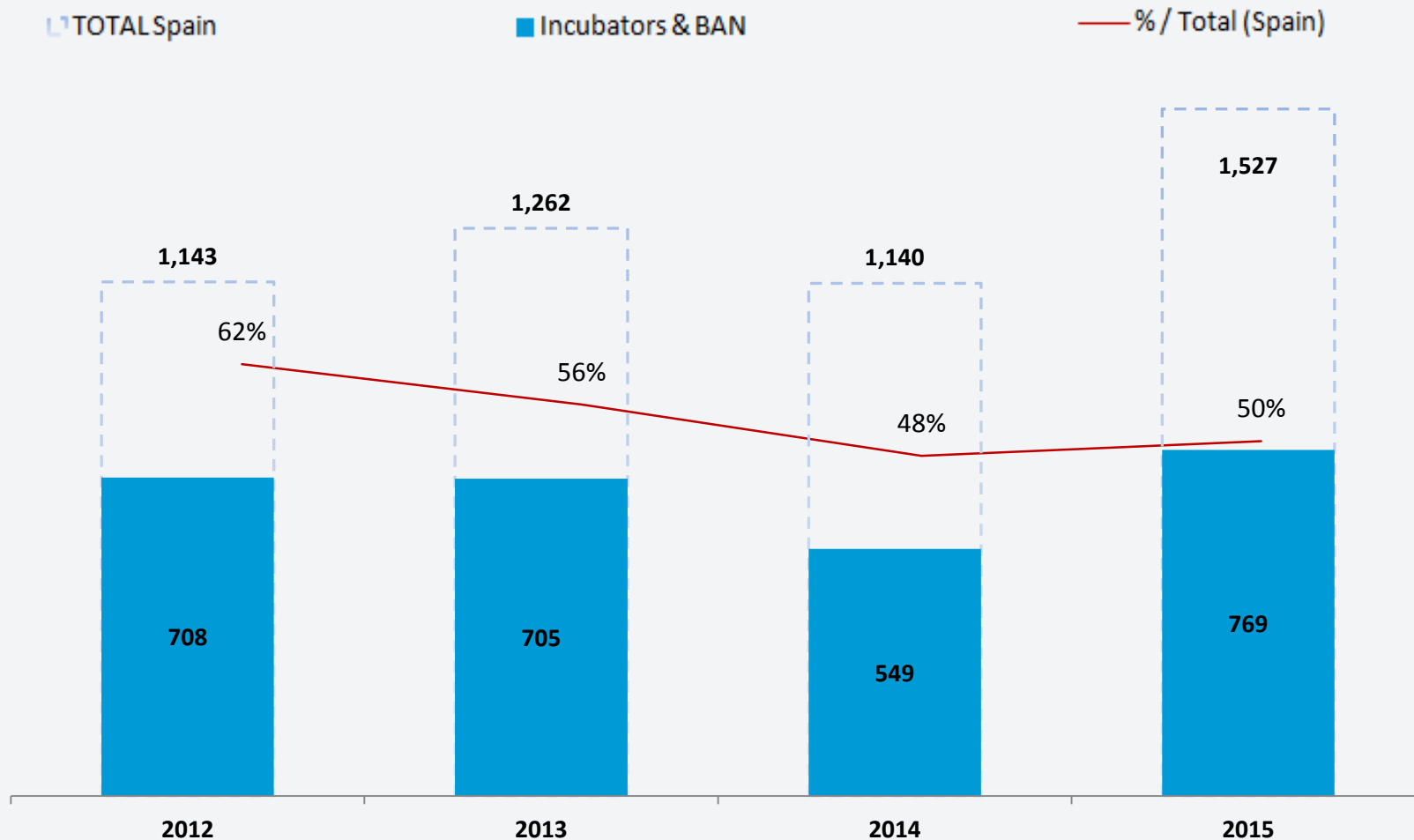


100% 659

€432K

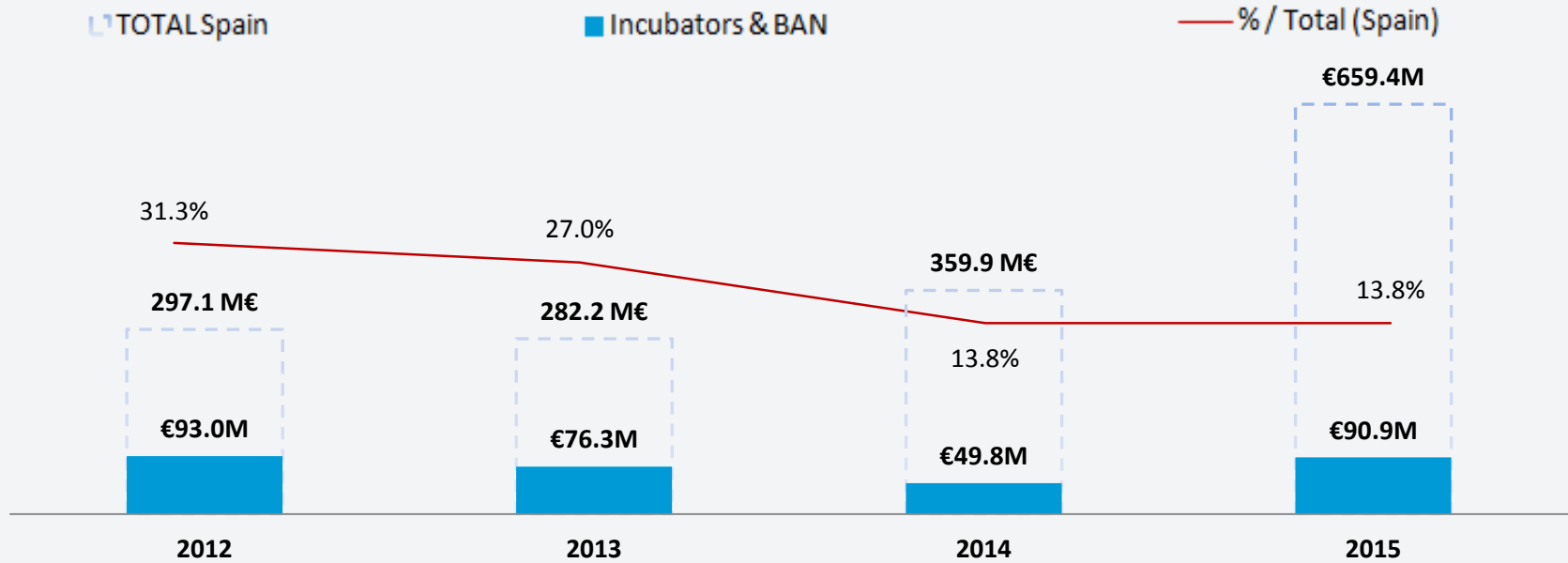
2- CDTI, ENISA and Similar

Change in No. of Transactions



2- CDTI, ENISA and Similar

Amount Invested (€M)



AVERAGE INVESTMENT PER TRANSACTION

€131K

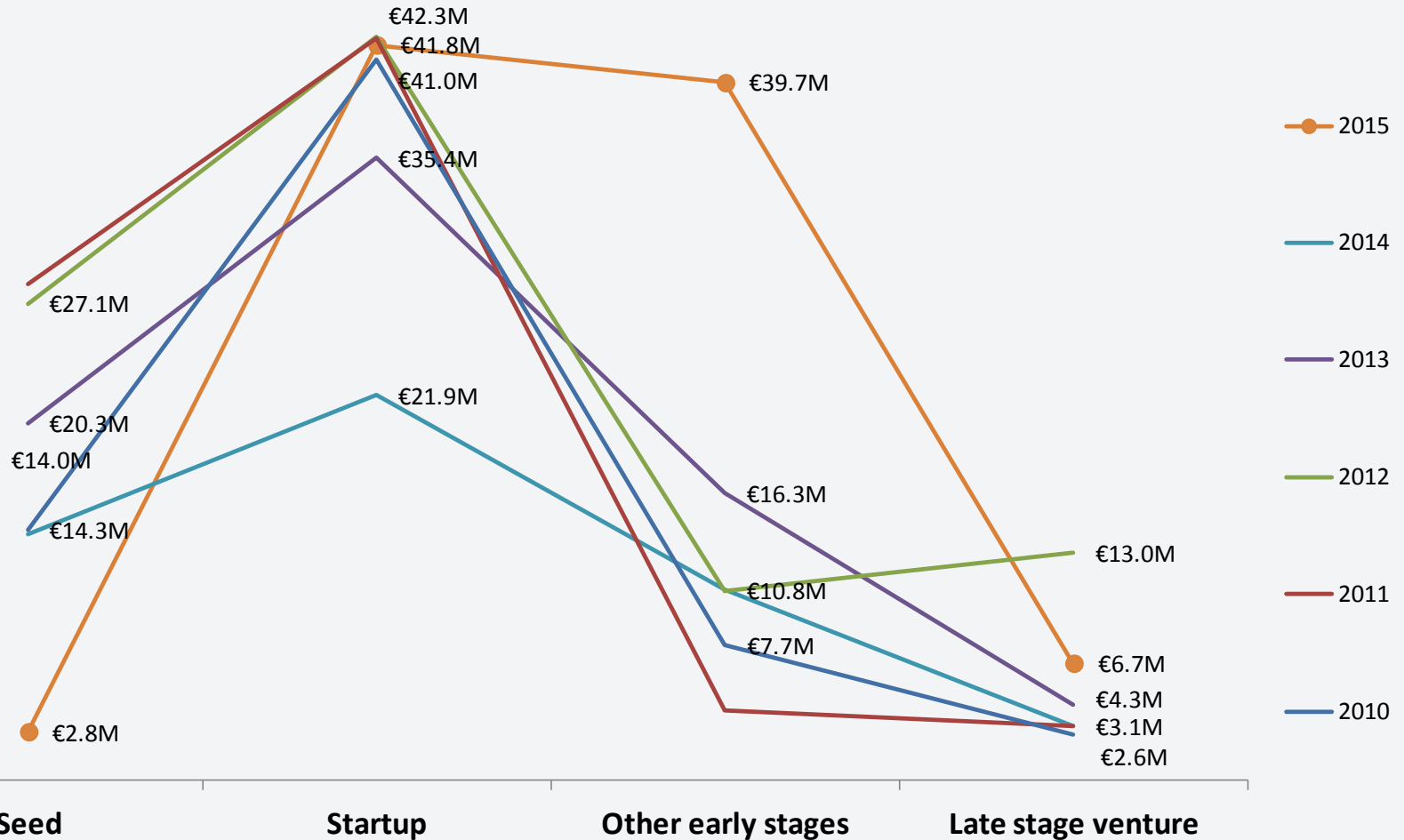
€108K

€91K

€118K

2- CDTI, ENISA and Similar

Amount Invested by Category (€M)



3- Venture Capital

National VC&PEs

International VC&PEs (+ Corp. VCs)

3- Venture Capital

Key Actors

CAIXA CAPITAL RISC / KIBO / SEAYA / YSIOS / INVEREADY /
ACCEL PARTNERS / IDINVEST / GILDE / INDEX / FIDELITY / ...

Key Data 2015

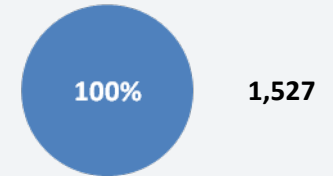
- No. of Investors
- Total No. of Investments
- Total Amount Invested (€M)
- Avg. Transaction Amount

Category



€1,151K

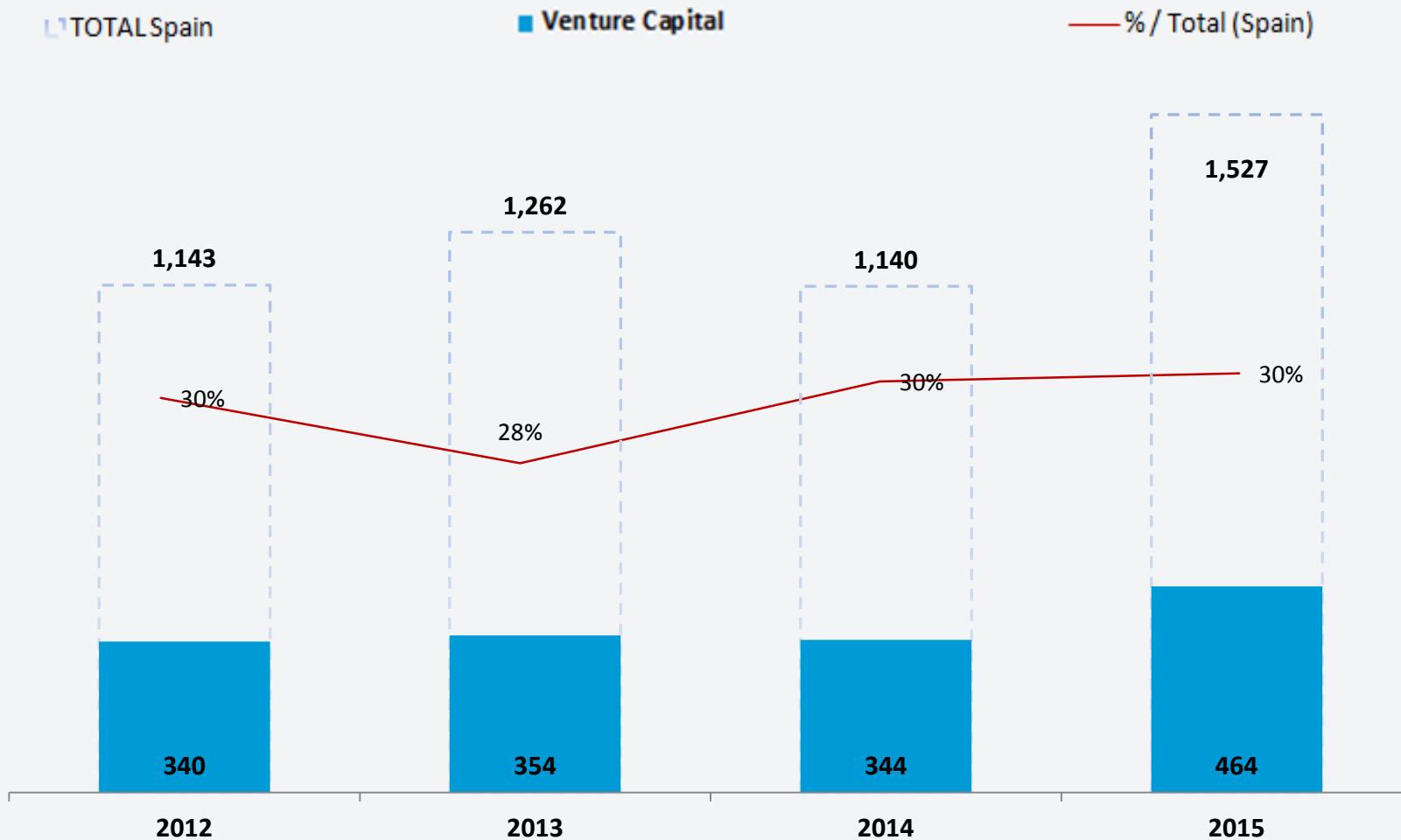
Total (Spain)



€432K

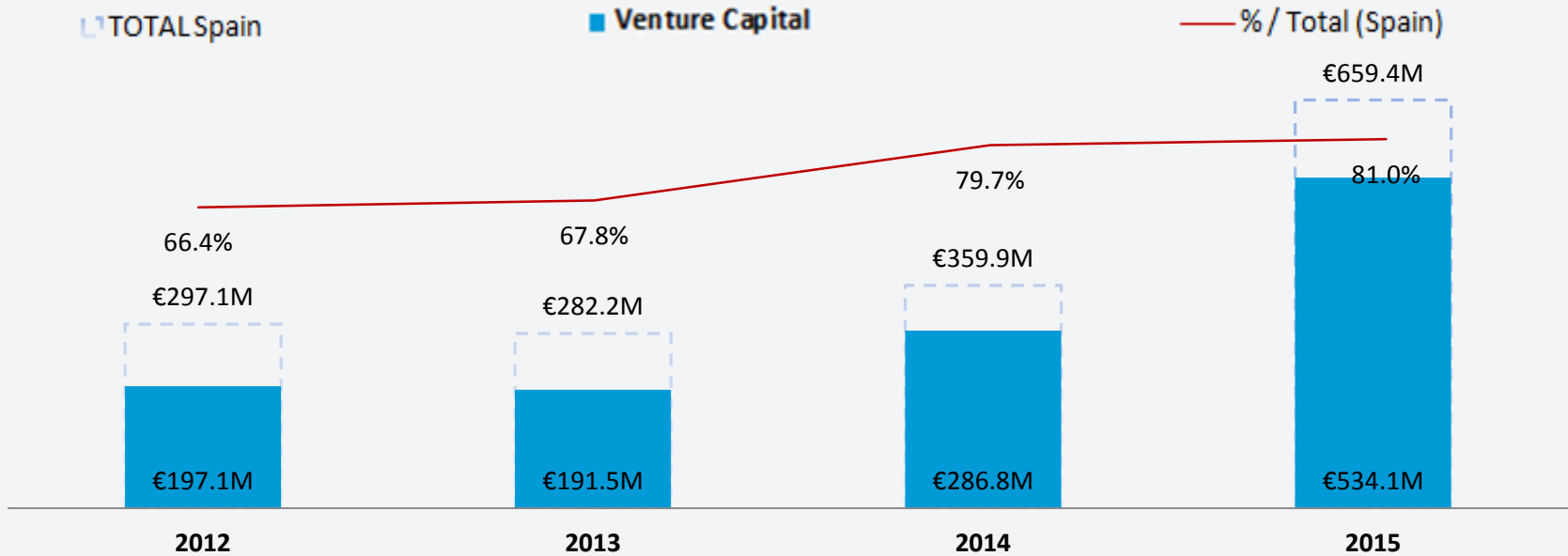
3- Venture Capital

Change in No. of Transactions

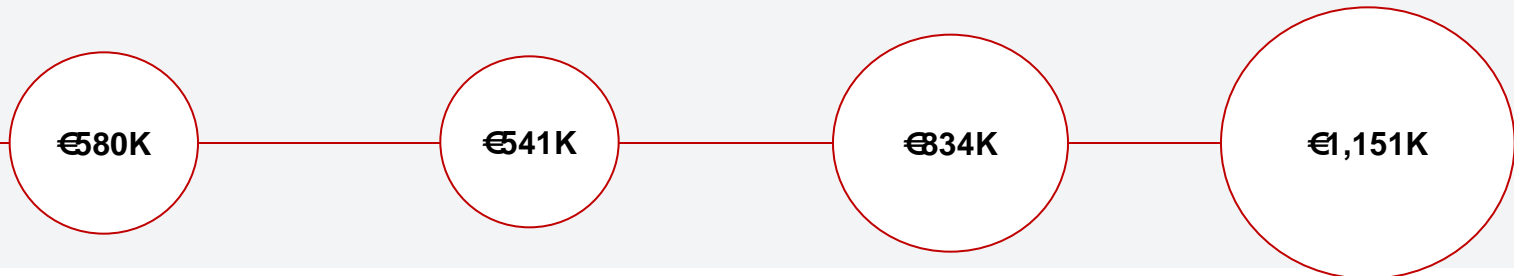


3- Venture Capital

Amount Invested (€M)

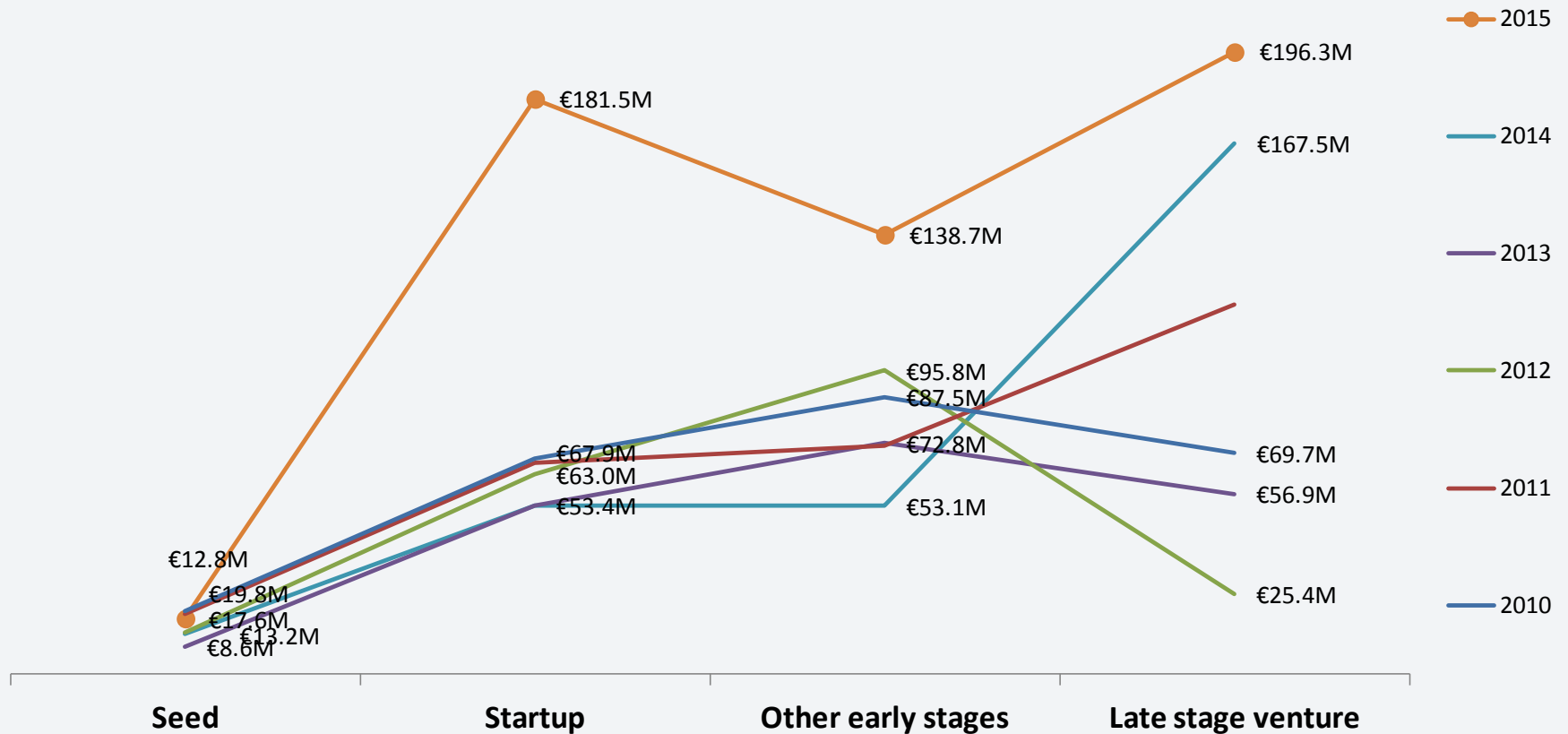


AVERAGE INVESTMENT PER TRANSACTION



3- Venture Capital

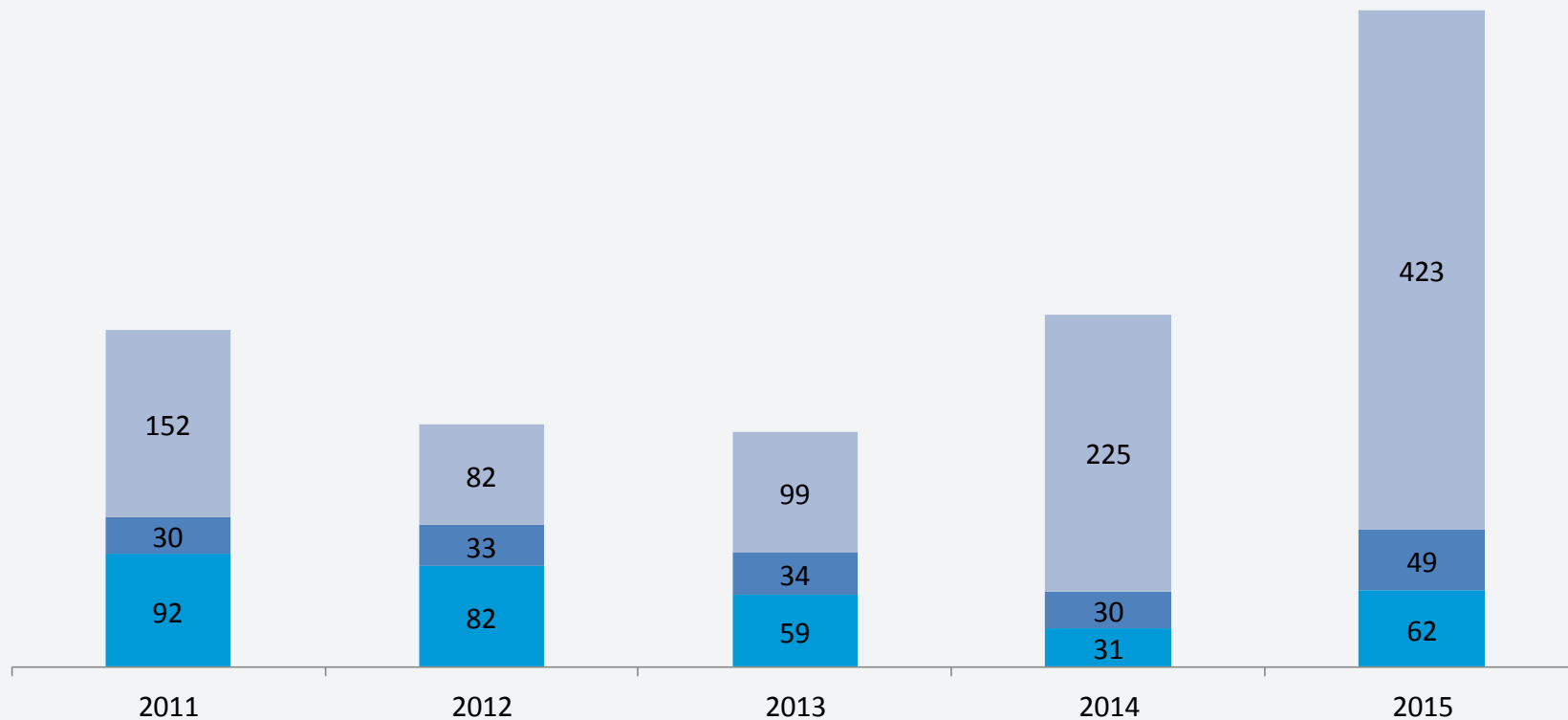
Amount Invested by Category (€M)



3- Venture Capital by Sector

Amount Invested by Sector (€M)

■ Industry ■ Life Sciences ■ ICT and Digital

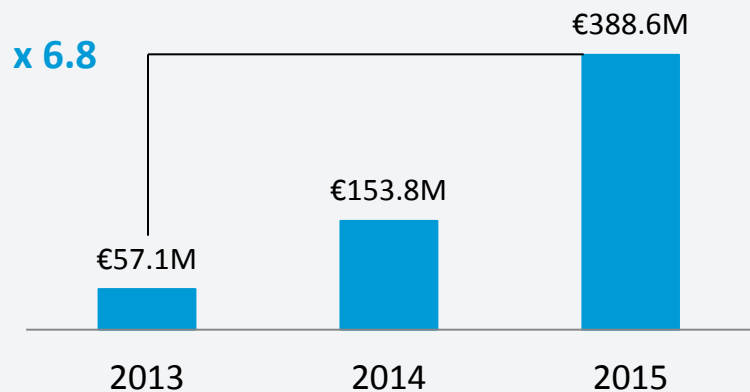


3 - Venture Capital – A key participant in the development of startups

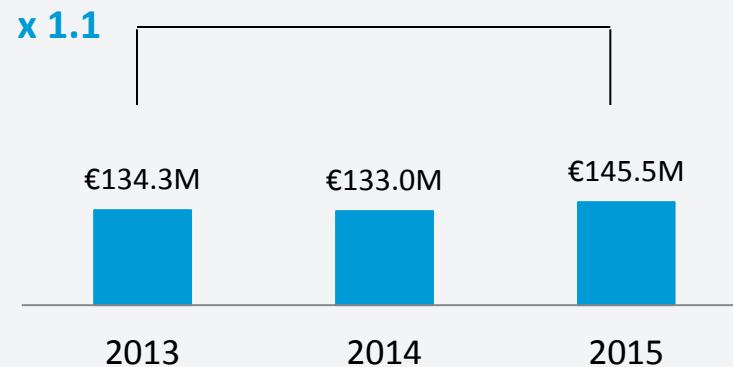
- **190 Spanish companies** (+25% from 2014) **received their first Venture Capital investment in 2015**, totaling €206.5M (compared to €74M in 2014).
 - Increase in first ticket of €520K to €1.08M.
- **152 Spanish companies received follow-on** or new rounds totaling €327M.
 - Average ticket in follow-on or investment rounds > €2M.
- **Participation of 2.1 VCs per company – co-investment**, especially as follow-ons progress.

3- Venture Capital

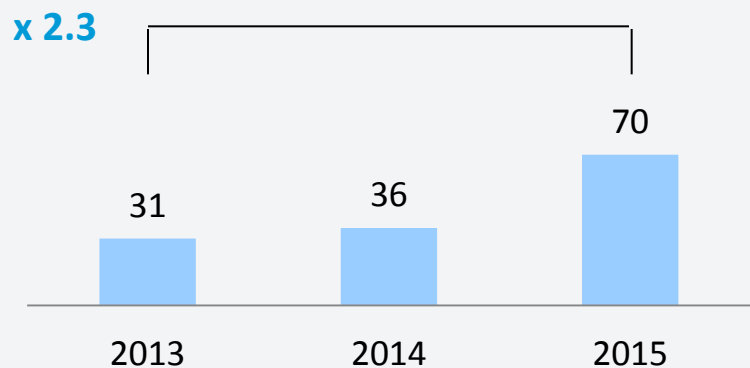
Investment by International VC&PEs (€M)



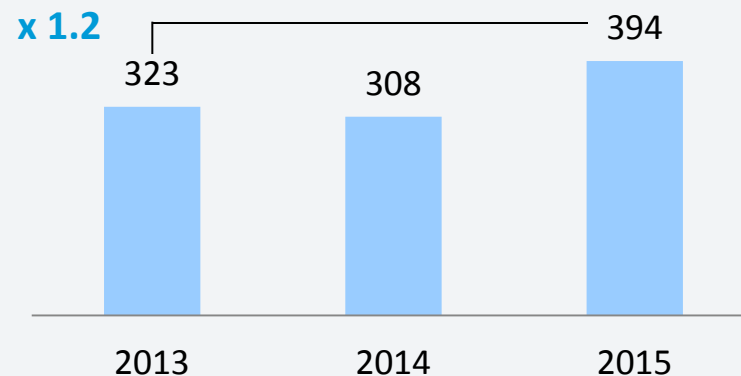
Investment by National VC&PEs (€M)



No. of Investments by International VC&PEs



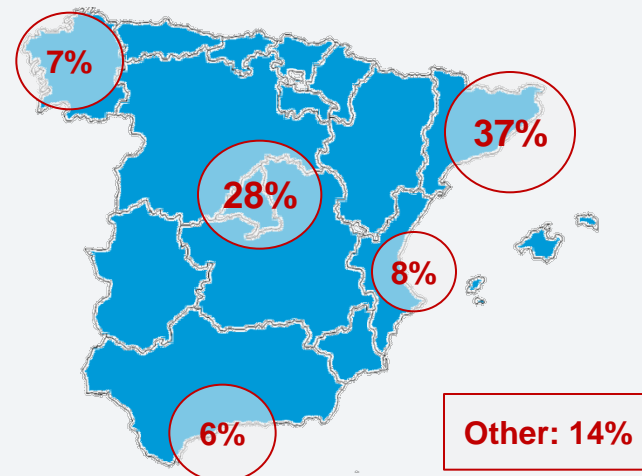
No. of investments by National VC&PEs



4 – Venture Capital Investment in Spain

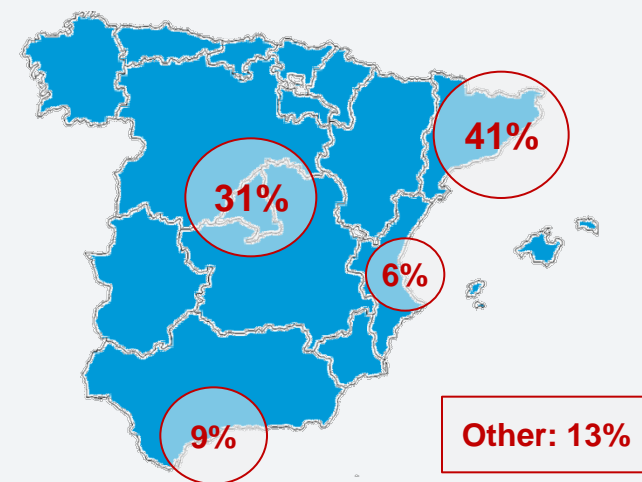
Private National VC&PEs (No. of Transactions)

AUTONOMOUS COMMUNITY	2014	2015
Catalonia	100	106
Madrid	62	79
Autonomous Community of Valencia	25	23
Galicia	15	21
Andalusia	10	16
Castille and León	12	9
Other	29	32
Total	253	286



Private National VC&PEs (€M)

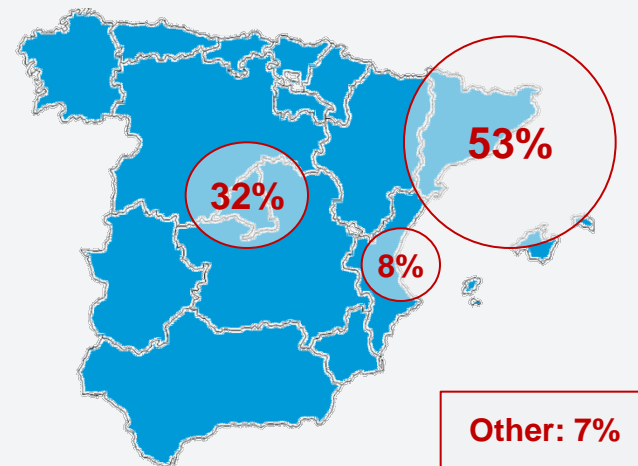
AUTONOMOUS COMMUNITY	2014	2015
Catalonia	38.3	48.8
Madrid	37.8	36.9
Andalusia	7.8	10.4
Autonomous Community of Valencia	10.1	6.5
Balearic Islands	2.3	3.7
Basque Country	2.4	3.1
Other	12.8	8.8
Total	111.4	118.2



4 – Venture Capital Investment in Spain

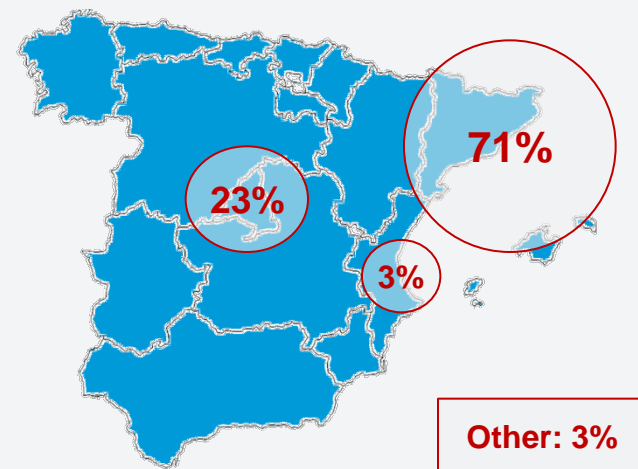
International VC&PEs (No. of Transactions)

AUTONOMOUS COMMUNITY	2014	2015
Catalonia	26	38
Madrid	11	23
Autonomous Community of Valencia	0	6
Balearic Islands	0	5
Basque Country	0	0
Murcia	0	0
Other	0	0
Total	37	72



International VC&PEs (€M)

AUTONOMOUS COMMUNITY	2014	2015
Catalonia	132.9	277.2
Madrid	21.0	89.7
Autonomous Community of Valencia	0.0	13.6
Balearic Islands	0.0	8.7
Basque Country	0.0	0.0
Murcia	0.0	0.0
Other	0.0	0.0
Total	153.9	389.1



CONCLUSIONS

Conclusions

- 200 investors participated in over 1,500 transactions.
- Of these 200, 18 public entities (national and regional) participated in more than 50% of the transactions (primarily with equity loans).
- Incubators/accelerators, BA networks and crowdfunding platforms (which were virtually non-existent before 2010) participated in 300 transactions. Key participant in the seed and startup stages.
- VC managers (Spanish and foreign) account for a majority of funding.
- Growing investment of Corporate VCs.

Conclusions

- By investment stage:
 - Seed capital (pre-sale) is negligible.
 - The majority of investments were made in the startup stage and subsequent follow-ons.
 - Overall growth in number of companies / number of rounds (series) and average ticker per round.
 - Late stage saw significant growth thanks to international operators.

Conclusions

■ By sector:

- ICT/Digital accounted for 80% of investment

→ In particular in the B2C digital environment

- Life Sciences broke records, although only accounting for €48M

→ 2016 figures will improve thanks to closings in 2015 of significant rounds with committed contributions

- The industrial environment has grown significantly, reaching €62M (cleantech effect and green/white biotechnology)

Conclusions

■ By region:

- Spain is already a market drawing pan-European funds' attention
- However, the market is heavily concentrated: Catalonia and Madrid account for over 80% of total investment by all investor types
- Looking at just the public sector, this percentage shoots up to 90%
 - International investors primarily invest in these two Autonomous Communities
 - Regional VC funds partially set off the lack of resources outside Barcelona and Madrid

ACKNOWLEDGMENTS

- Investors that shared data
- Web Capital Riesgo for crunching the numbers
- Angela and the ASCRI team for their work arranging and organizing the report

THANKS FOR YOUR ATTENTION

Carlos Trenchs

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