

Digital Startup Ecosystem Overview

January 2017



Mobile World Capital Barcelona is an initiative driving the mobile and digital transformation of society while helping improve people's lives globally.

With support of the public and private sector throughout Barcelona, Catalonia and Spain, MWCcapital focuses on three areas: the empowerment on the use of digital technologies; the digital transformation of industries; and the acceleration of innovation through digital-based entrepreneurship.

Collectively, our programmes are positively transforming Education, Industry and the Economy.

MWCcapital hosts the Mobile World Congress and delivers 4 Years From Now [4YFN], a business platform for the startup community.

www.mobileworldcapital.com

Digital Startup Ecosystem Overview 2016

1

Spanish Startup Ecosystem

- Ecosystem
- European Tech Hubs
- Top sectors
- Attracting talent

2

Investment in Spain

- Overview
- Average investment Tickets
- Top Rounds
- Top invested sectors
- Types of investor
- M&A Activity

3

Barcelona Digital Hub

- Overview
- Top Sectors
- Investment figures
- Top invested sectors
- M&A Activity

4

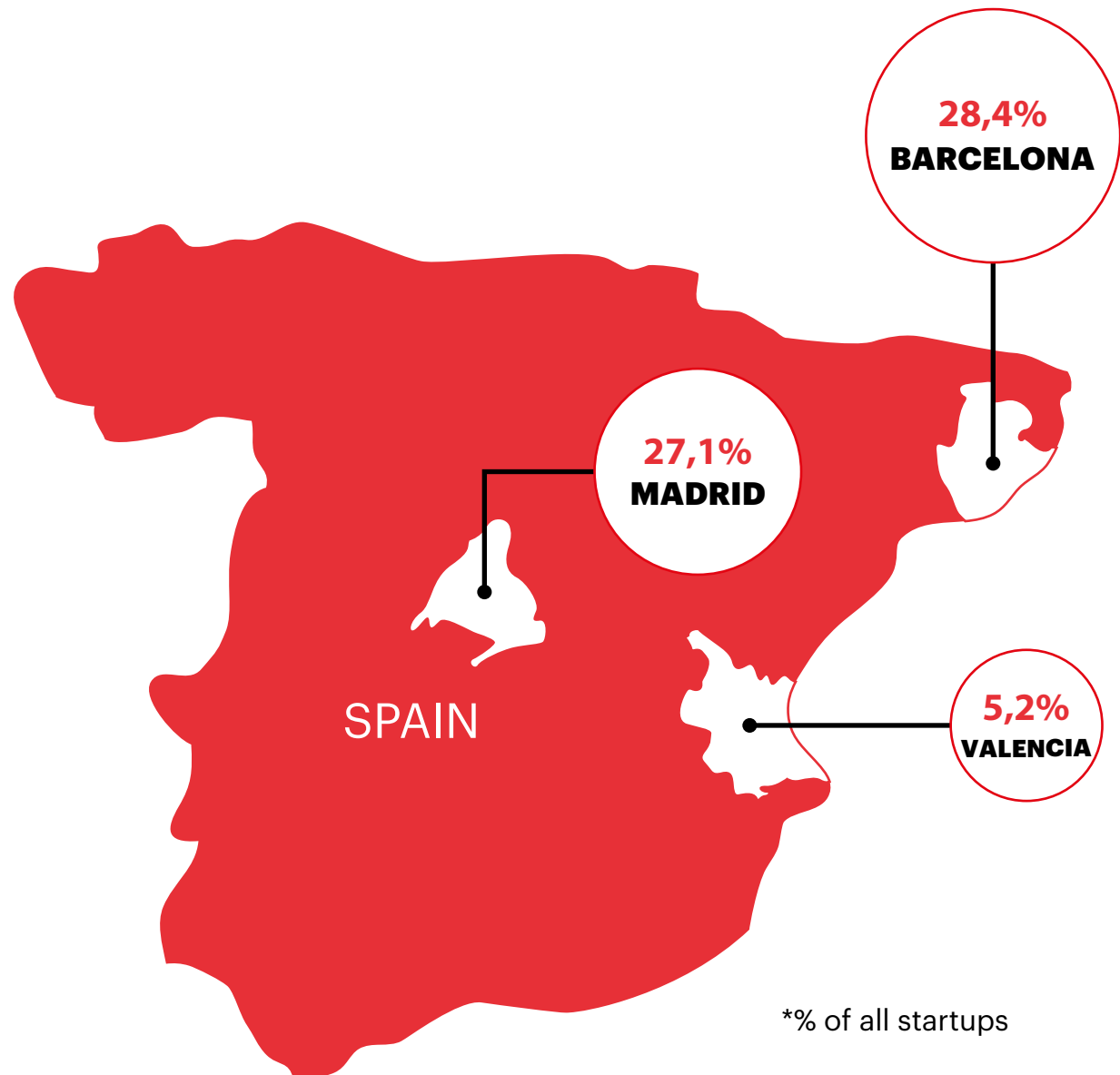
Conclusions

SPANISH STARTUP ECOSYSTEM

2.663
STARTUPS IN
SPAIN IN 2016

Digital sector to account for
5,2% of Spain's GDP in 2016;
€42,3 billion (+2% YoY)

3 MAIN HUBS



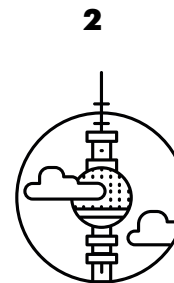
AROUND **60 TECH HUBS** IN **EUROPE**

+1/3 of European startups concentrated
in the 10 biggest hubs

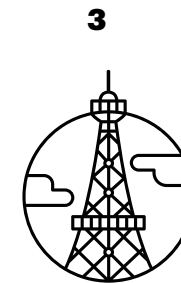
Barcelona and **Madrid** ranked in the
European top 10 in Europe by number
of startups



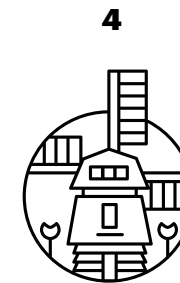
London



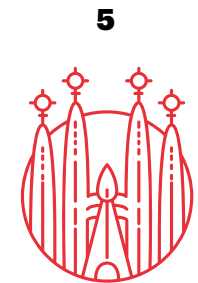
Berlin



Paris



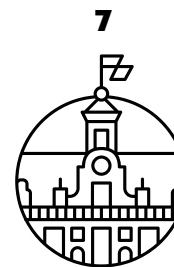
Amsterdam



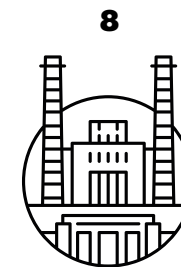
Barcelona



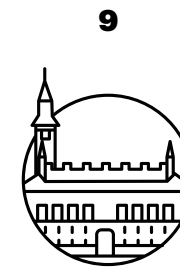
Madrid



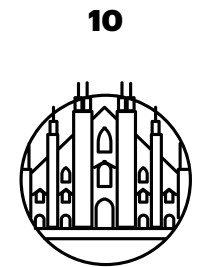
Stockholm



Dublin



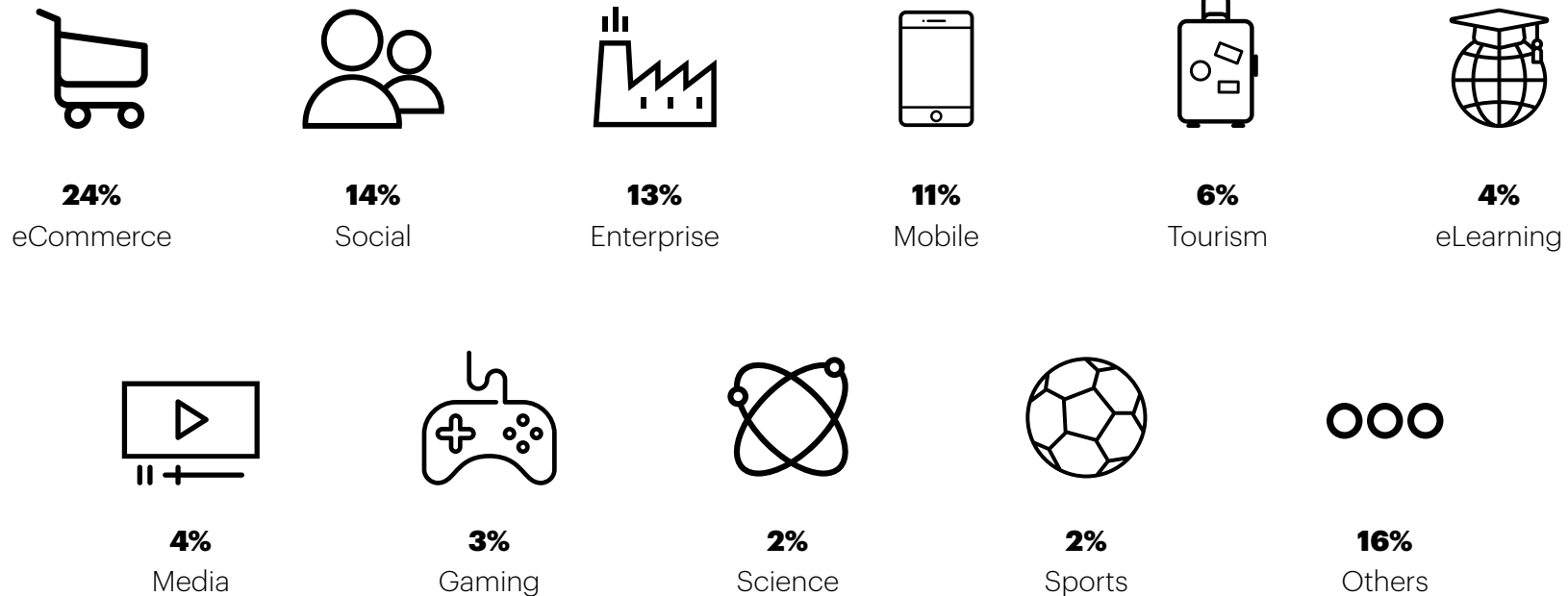
Copenhagen



Milan

eCOMMERCE IS STILL THE MOST REPRESENTED **SECTOR**

eCommerce, Social and Enterprise software are the fastest growing sectors (+4% YoY on average)

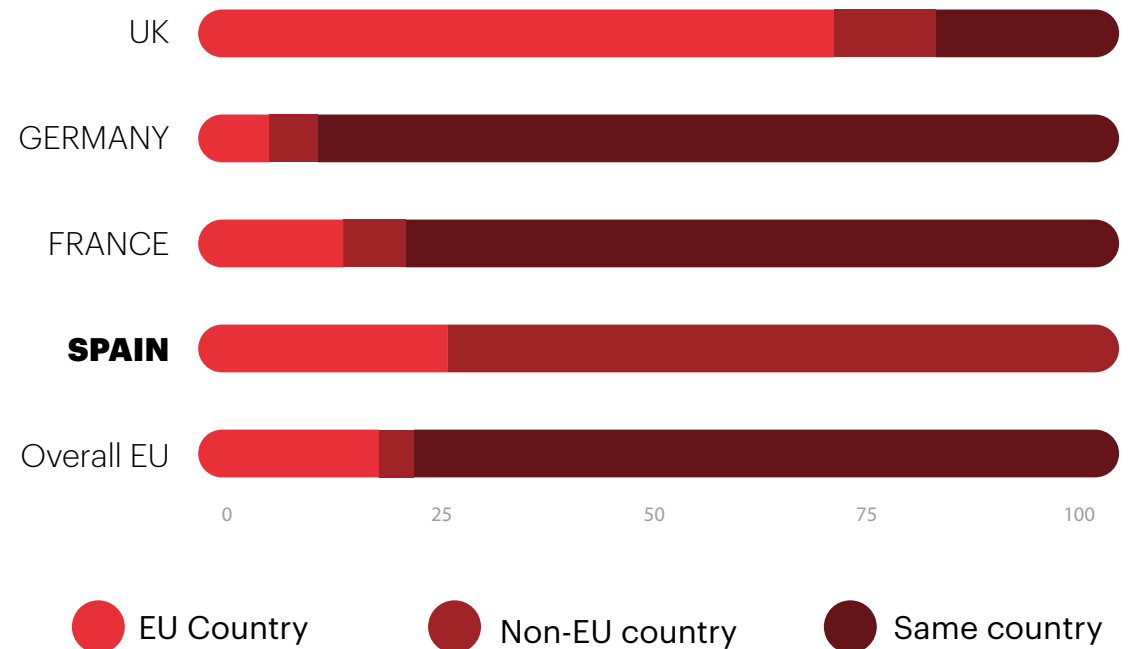


SPAIN IS A DESTINATION FOR **EUROPEAN** FOUNDERS

Second country in the EU attracting international talent to start their businesses.

UK and Germany are the biggest ecosystems with totally different models: capture vs. culture.

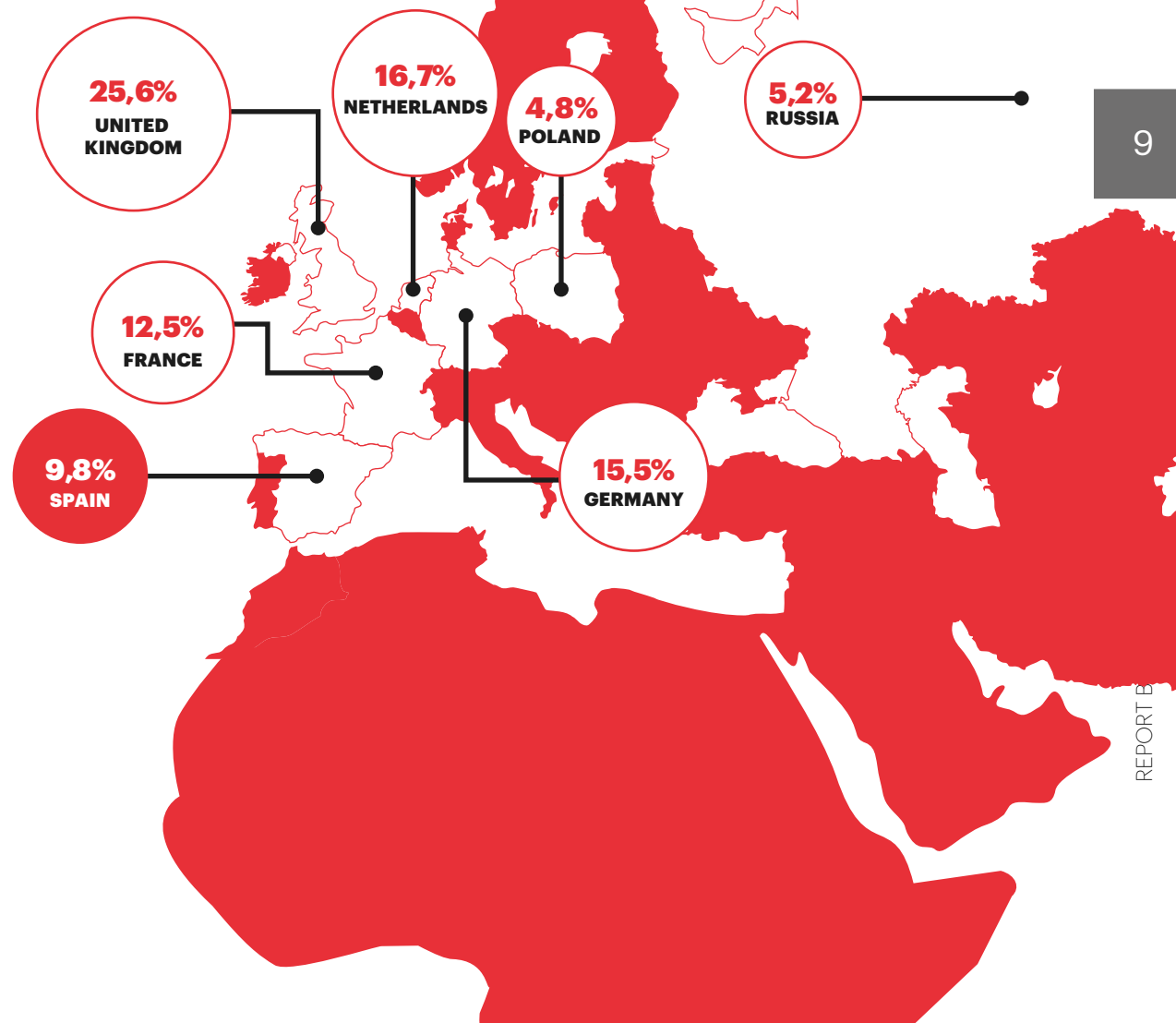
Citizenship of founders



Healthy developers density

SPAIN IS THE **5TH**
COUNTRY WITH
MORE **QUALIFIED**
DEVELOPERS
(EUROPE)

% of developers with +6 years of experience



... AND ALSO SHOWS A REALLY **COMPETITIVE COST** COMPARED TO OTHER COUNTRIES (WORLDWIDE)

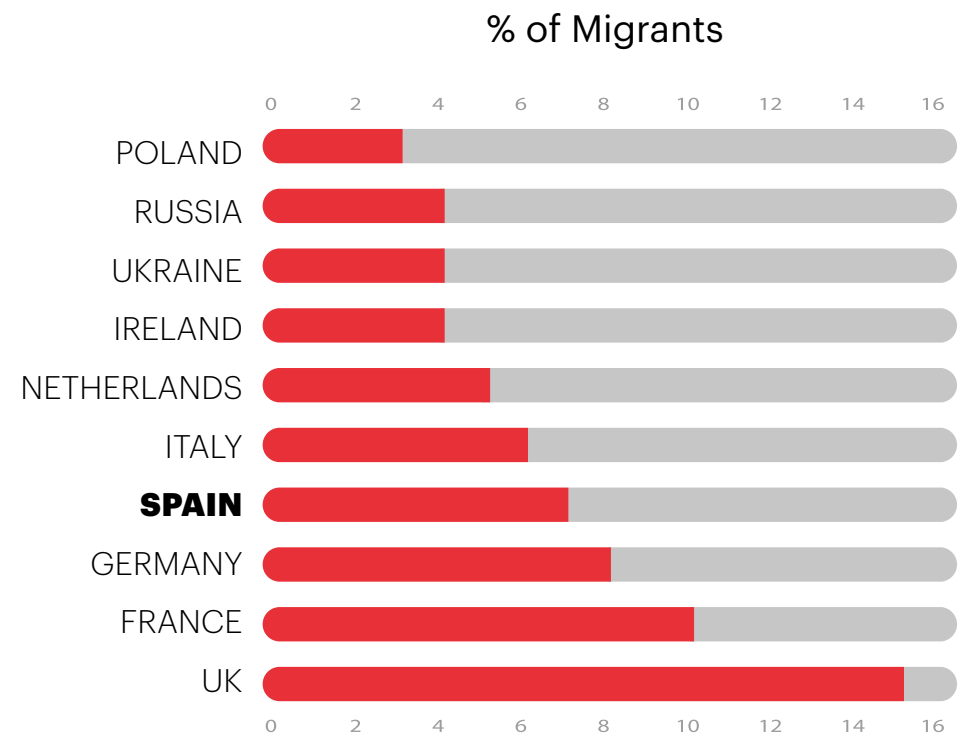
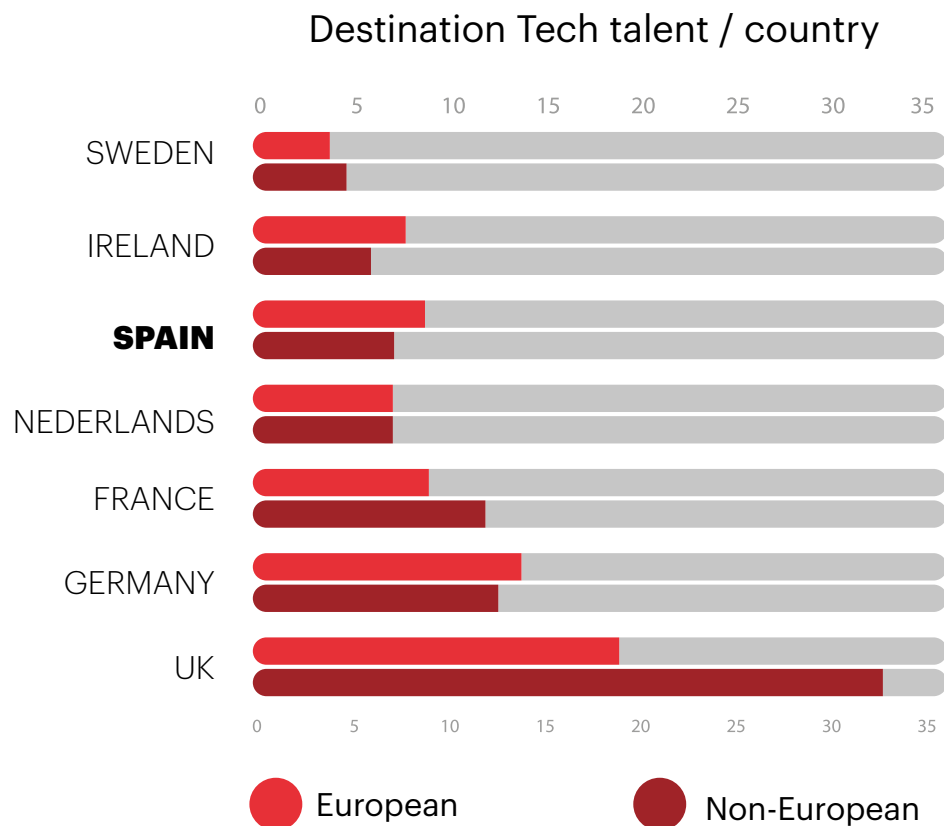
The average salary in Spain has increased 33% in the last 4 years

10



TALENT IS MOVING FAST

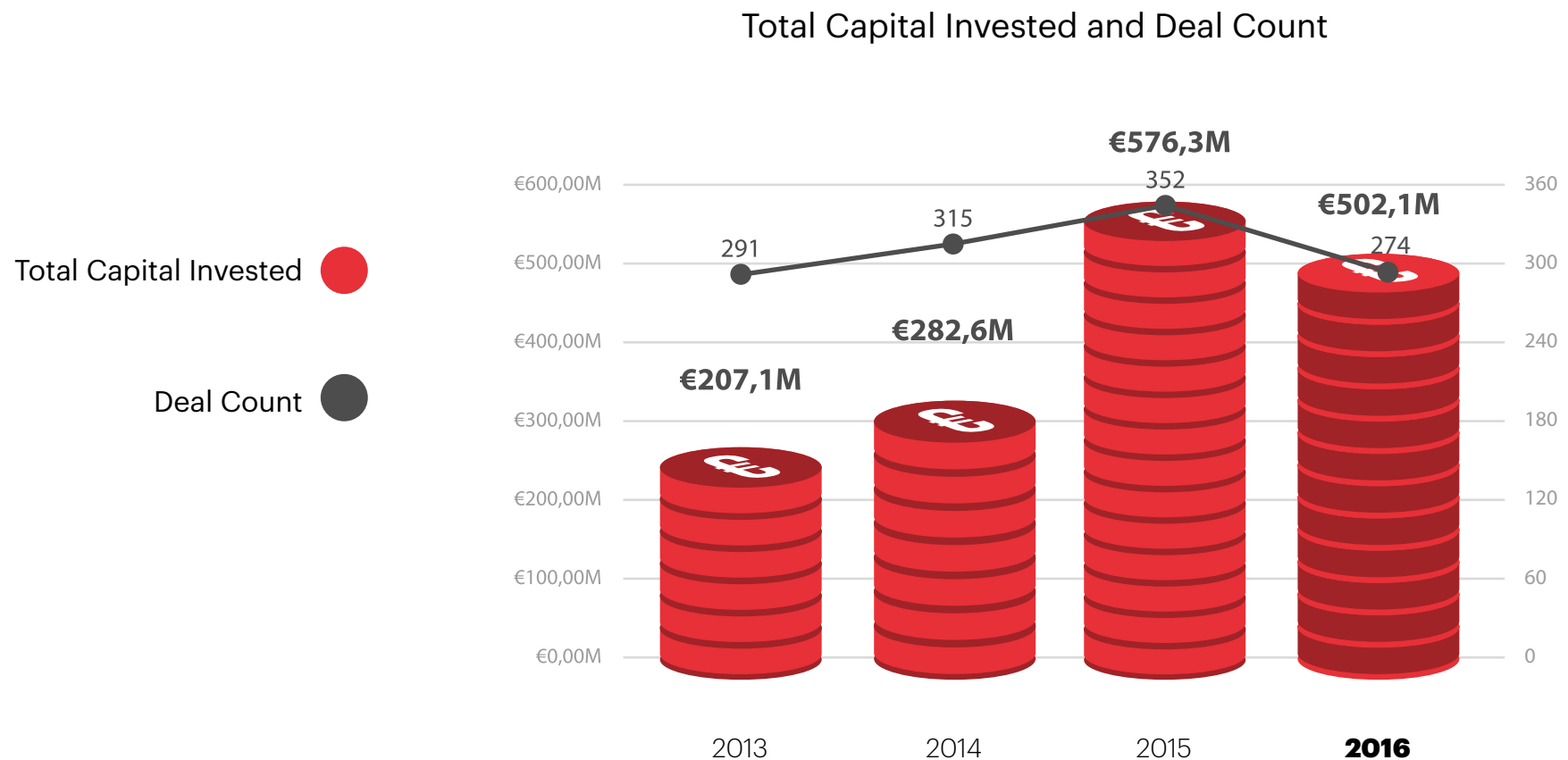
Spain is the 4th destination for international tech talent...
 ... attracting 14%
 ...and exporting 7% to other European countries



INVESTMENT IN SPAIN

INVESTMENTS STILL OVER **500M€**

Although it has decreased following the European tendency



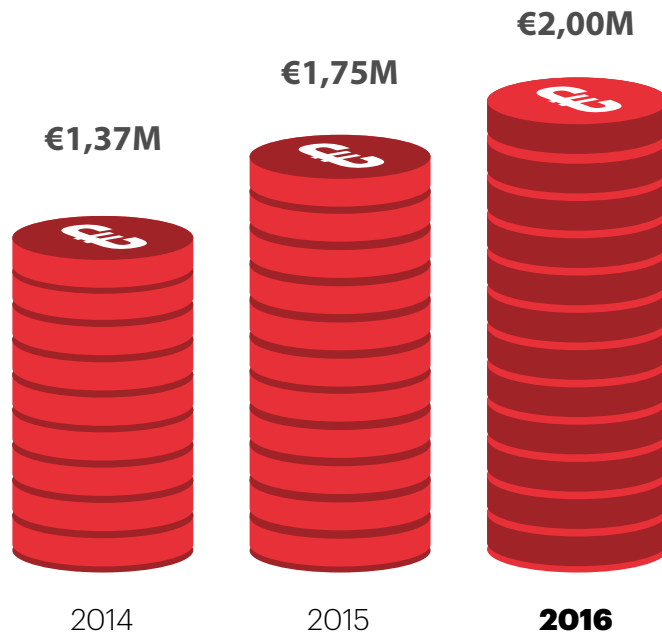
Source: PitchBook Data, Inc./Crunchbase

BUT THE AVERAGE **INVESTMENT TICKET** HAS GROWN SIGNIFICANTLY,

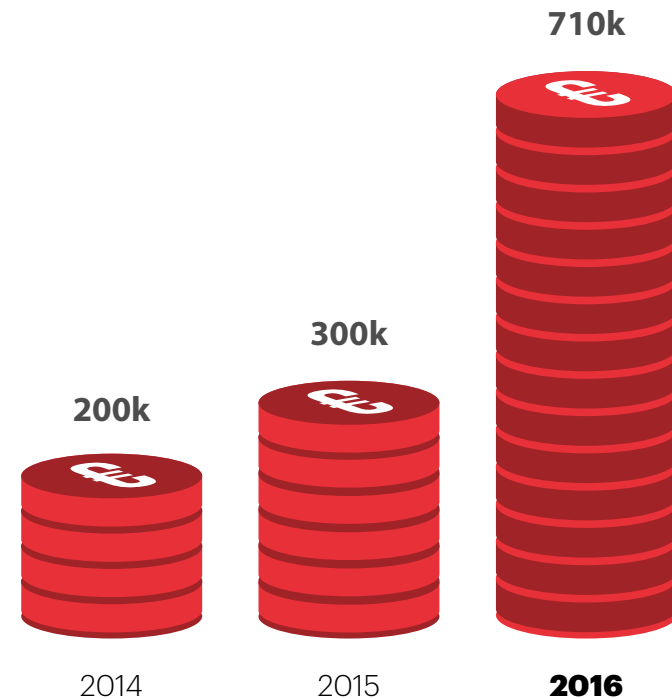
reflecting the more mature stage of the ecosystem

14

Valuation Average (M€)



Capital Invested (M€)

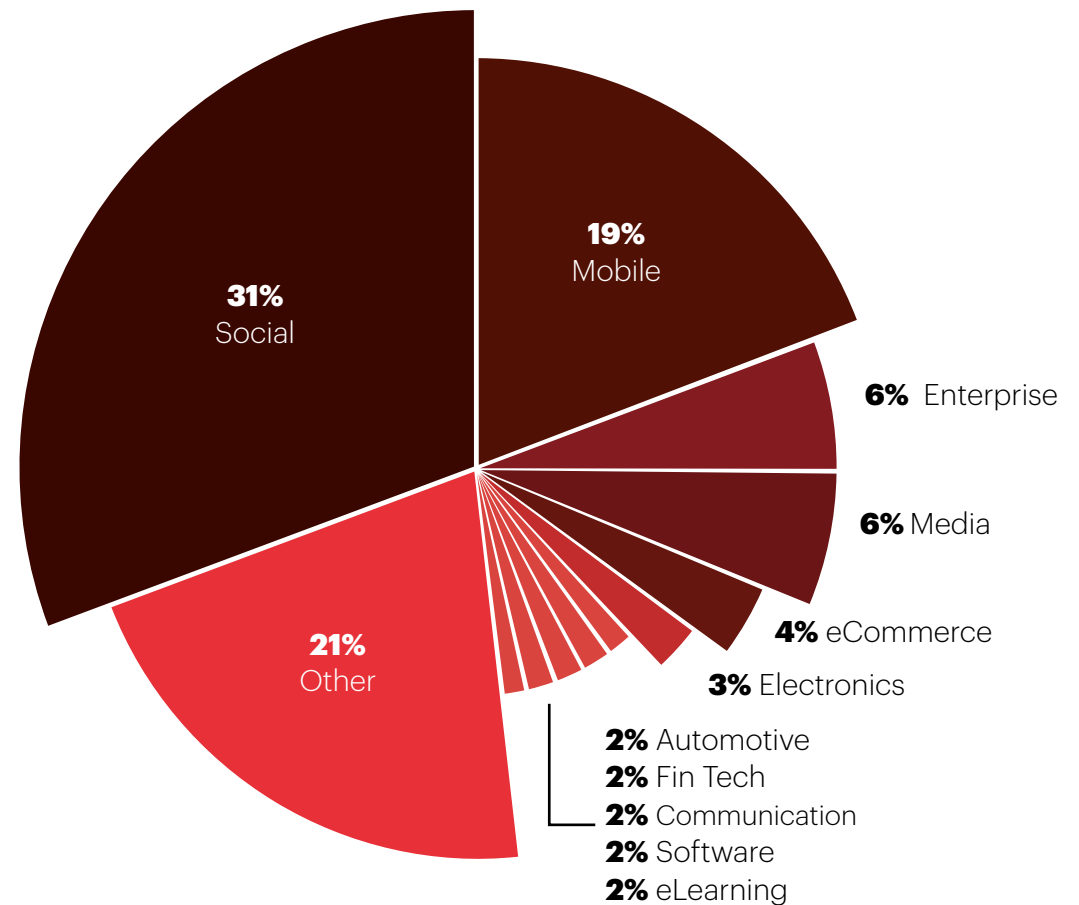


ROUNDS BIGGER THAN €10M



SOCIAL AND MOBILE ARE THE MAIN SECTORS LEADING THE INVESTMENT

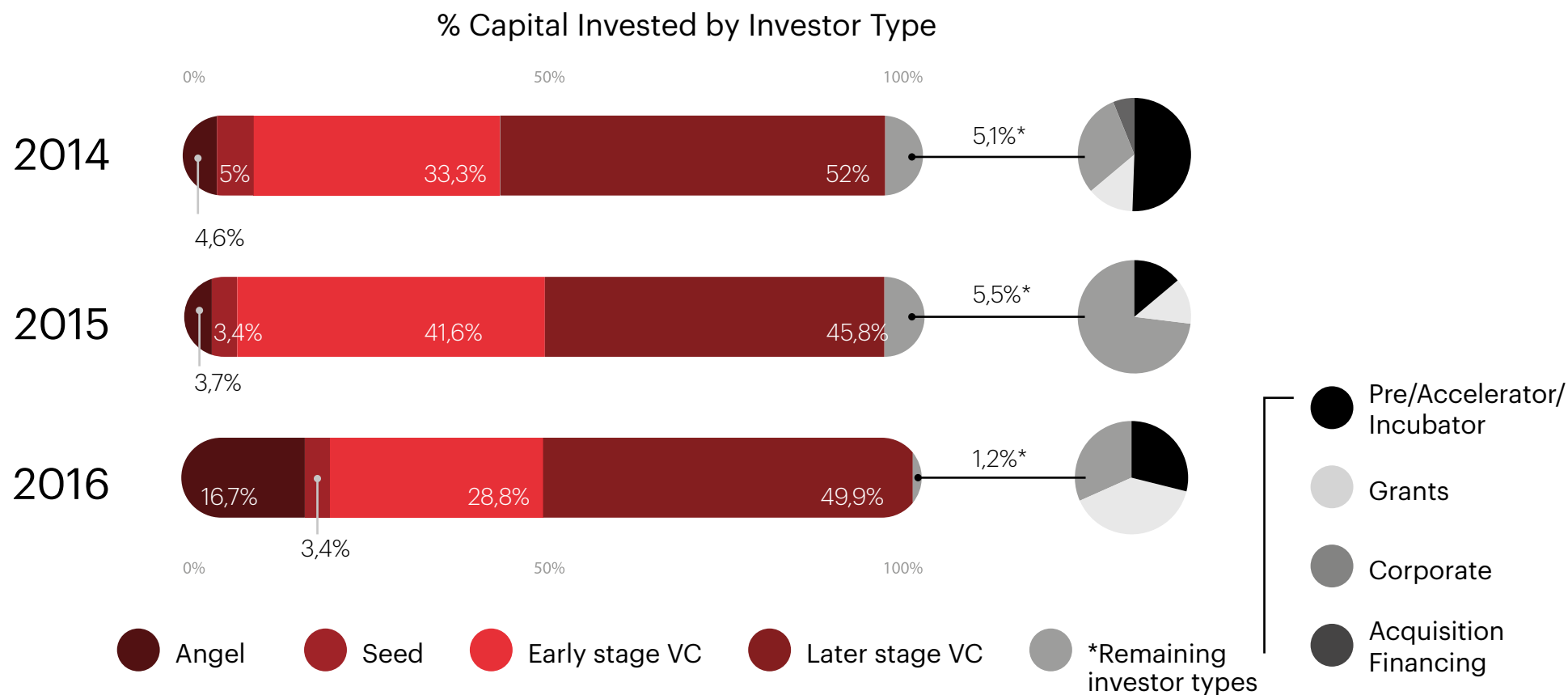
% Capital Invested by Industries



THE MIX OF **INVESTOR TYPES** IS HEALTHY

Early stage VC investments have significantly turned into later stage, which reflects the maturity of the ecosystem

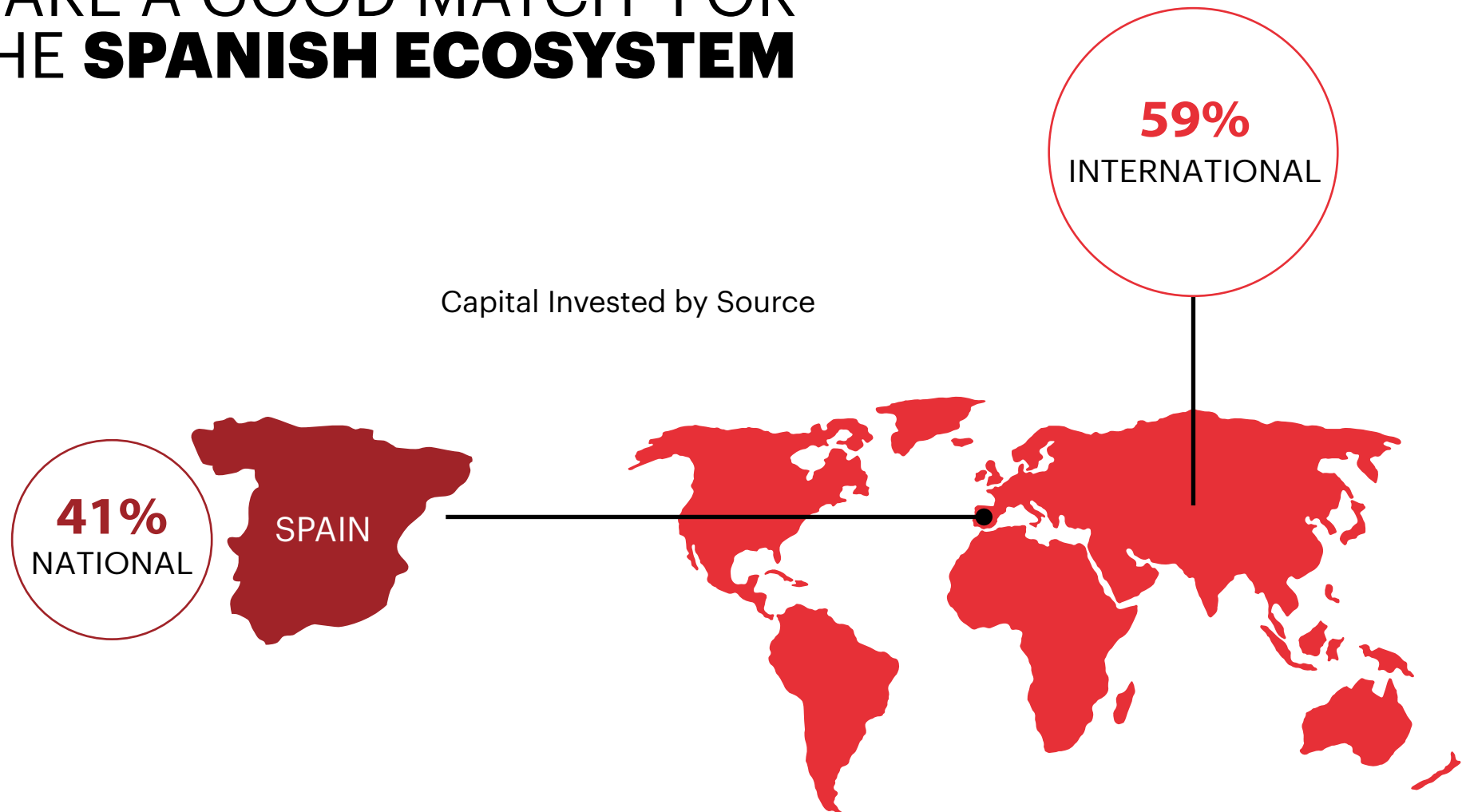
While the increase of Business Angels reinforces the continuity of the ecosystem



Source: Balderton

FOREIGN INVESTORS ARE A GOOD MATCH FOR THE SPANISH ECOSYSTEM

59% of the investment in Spanish Startups comes from **43 international investors**



RECORD YEAR IN EXITS: **+1 BILLION**

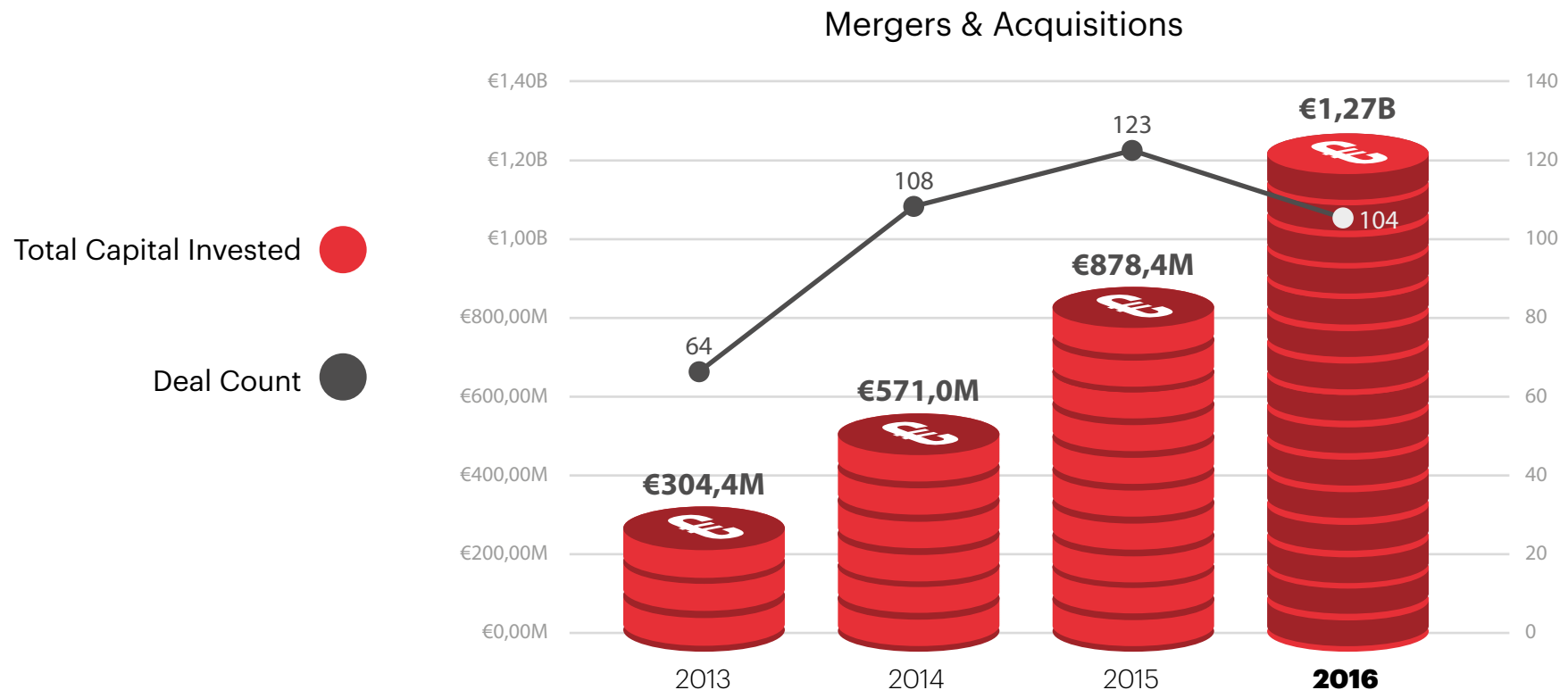
Top Exits:

- Privalia–VentePrivée: 500M€
- Pepemobile–Másmovillbercom: 158M€
- Ticketbis–eBay: 147,27M€
- Olapic–Monotypelming: 116,03M€

Barcelona is the city with more deals

- Barcelona: 36 deals (+3 vs. 2015)
- Madrid: 28 deals (-7 vs. 2015)
- Valencia: 2 deals (-2 vs. 2015)

*Excluding Jazztel 2015



Source: PitchBook Data, Inc.

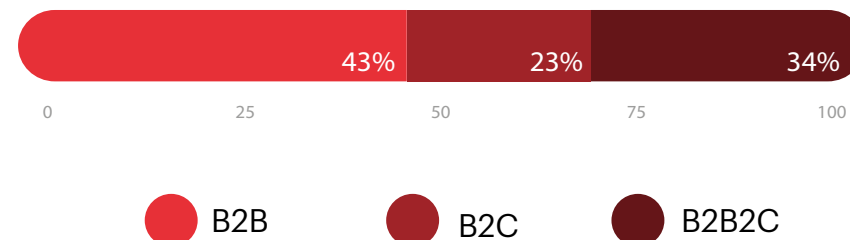
BARCELONA DIGITAL HUB

BARCELONA
**28,4% OF ALL
SPANISH STARTUPS**

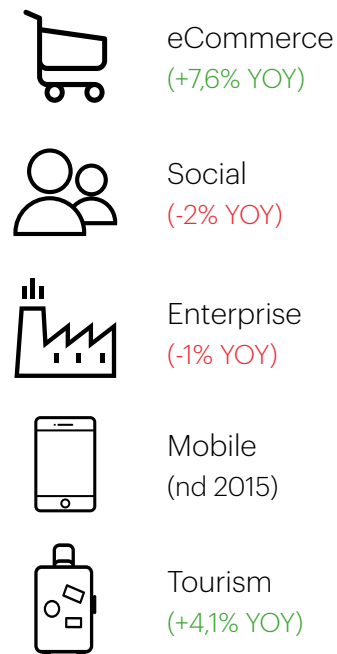
28,4%
BARCELONA



Market



Sectors



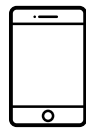
eCOMMERCE IS STILL “THE” SECTOR FOR **BARCELONA** STARTUPS

eCommerce was the #1 sector in 2015 (13,2%) and has increased its presence

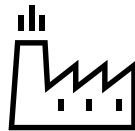
Tourism startups have grown from 5,9% to 10%, showing the city's economic reality



21%
eCommerce



10%
Mobile



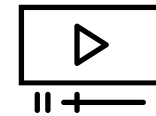
10%
Enterprise



9%
Social



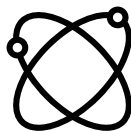
9%
Tourism



6%
Media



5%
eLearning



4%
Science



3%
Gaming



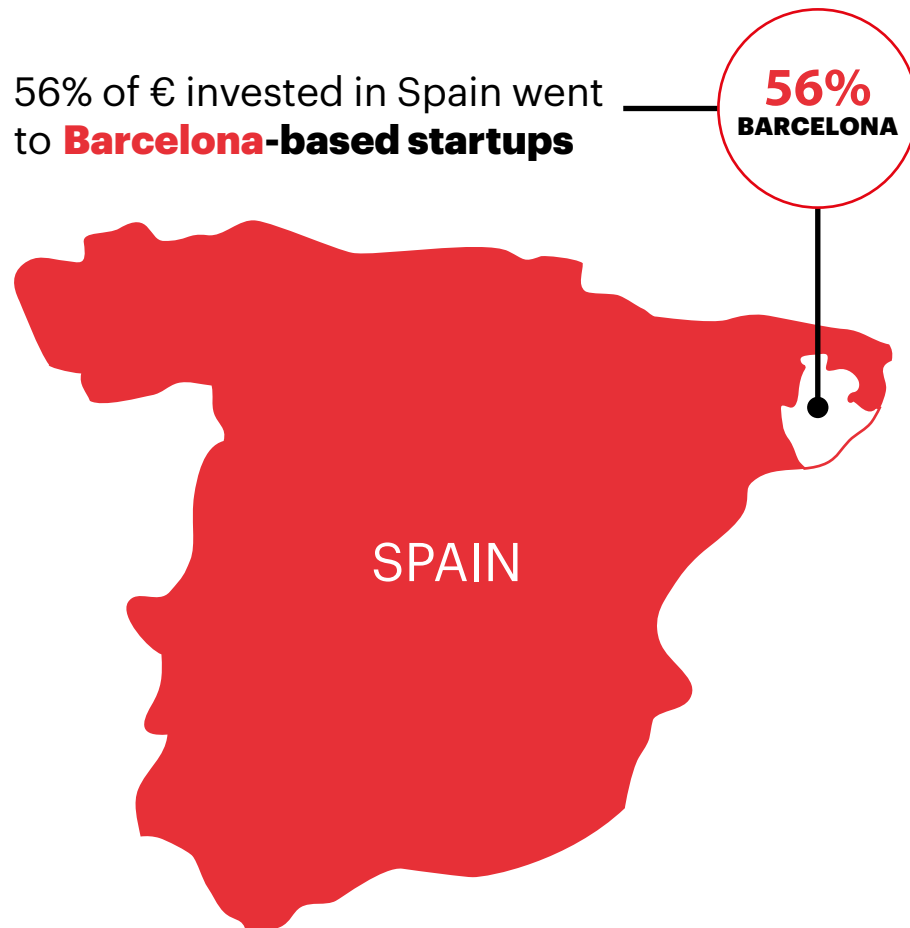
2%
Sports



21%
Others

BARCELONA DOMINATES STARTUP INVESTMENTS

56% of € invested in Spain went
to **Barcelona-based startups**



Capital Invested by Hub

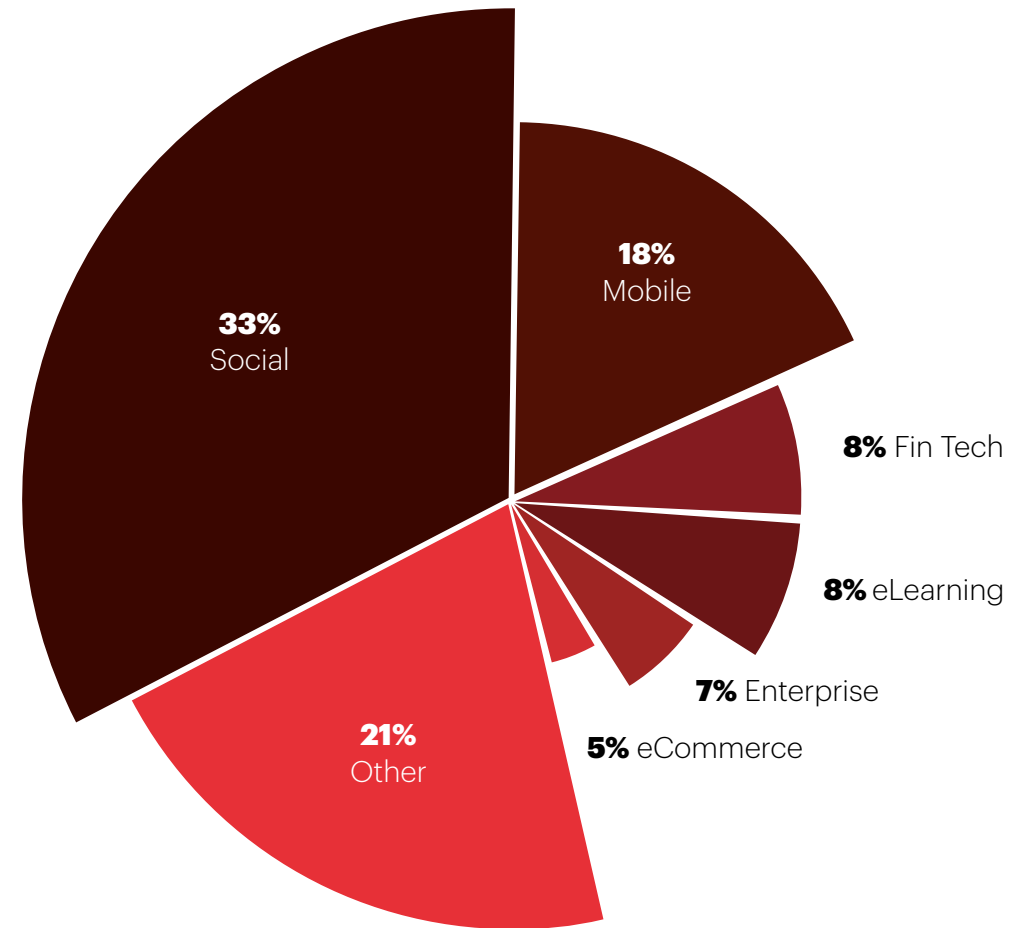


23

REPORT BY MOBILE WORLD CAPITAL BARCELONA, 2017

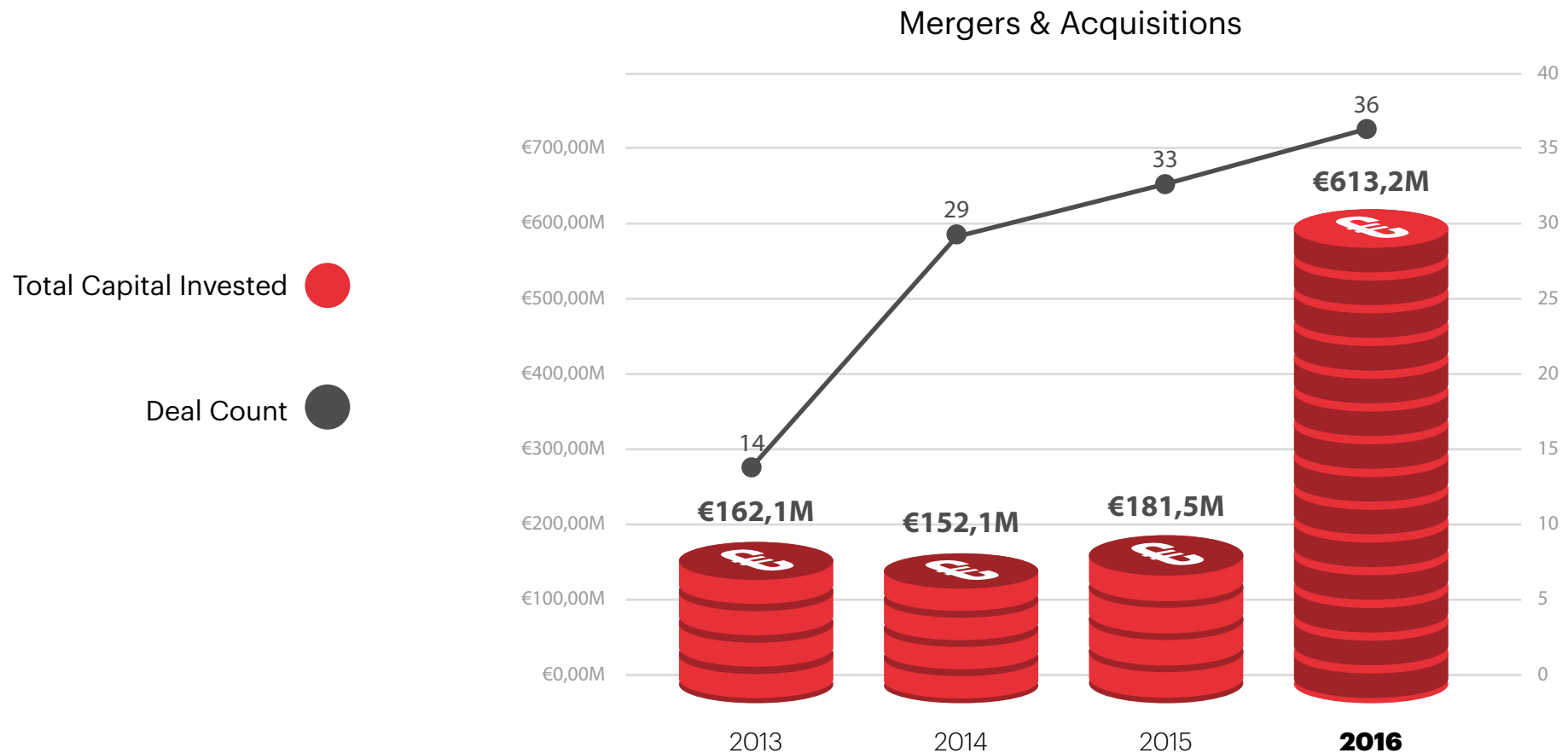
SOCIAL, SOFTWARE, MOBILE, FINTECH AND eLEARNING SECTORS ARE LEADING INVESTMENTS

% Capital Invested by Industries



BARCELONA DEALS REPRESENT 48,2% OF THE CAPITAL FROM SPANISH EXITS AND HAVE INCREASED IN 2016

In contrast with the global amount of Spanish Exits, that have decreased from 123 in 2015 to 104 in 2016



Source: PitchBook Data, Inc.

CONCLUSIONS

IT IS ALL ABOUT **HUBS**

Spain and its main hubs remain important players at European level, which demonstrates the maturity of its startups through: investments –increasing in advanced stages–, exits, as well as the power to attract talent. Facing the future, we must take advantage of these variables to expand the Spanish ecosystem and bring it closer to other hubs such as the UK, France or Germany.

OPEN TO **NEW MARKETS**

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FAVORABLE REGULATIONS **REQUIRED**

As we mentioned last year there is a lack of impact within the Spanish entrepreneurial law. At this point we should work to make the creation of new businesses and the investment in Spain more attractive. Limitations, bureaucracy and tax friendly policies need to be designed and implemented if we want to take advantage of Spain's momentum and take the ecosystem to the next level keeping investors interested in Spanish startups.

All of the charts, tables and figures that are included in this report come from publicly available sources.



METHODOLOGY

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