



Mind the Bridge

TECH SCALEUP SPAIN

2018 Report

SEP Monitor

With the support of:



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EUROPE**





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About Startup Europe Partnership (SEP)

Established by the European Commission in January 2014 at the World Economic Forum in Davos, SEP is the first pan-European open innovation platform dedicated to transforming European startups into scaleups by linking them with global corporations and stock exchanges.

By participating in the SEP program, global companies have access to the best technologies and companies with the goal of initiating business partnerships and venture corporate investments. Scaleups are exposed to qualified sales/strategic opportunities as well as funding options either via venture capital, private placements or IPOs.

SEP is led by Mind the Bridge, a global organization based in Europe and Silicon Valley.

SEP is a Startup Europe initiative. Partners include leading corporates and the European Investment Fund/ European Investment Bank Group, London Stock Exchange Group, Nesta, EBAN, European Startup Network, The ScaleUp Institute.

For more info:

<http://startupeuropepartnership.eu> | @sep_eu



Scaleup Spain

Good, But Not Good Enough



ALBERTO ONETTI
Chairman, Mind the Bridge

The Spanish ecosystem ranks 5th in Europe in terms of the number of scaleups, and 6th in the capital raised. As a consolation prize, it ranks first among the Southern European countries.

The gap with the UK, France, and Germany is simply too broad to be bridged. But the preliminary numbers of 2018 shows that Spain is also going slower than the most immediate comparables, Switzerland and Sweden. In particular regarding the capital invested where Spain is still lagging behind the most advanced ecosystems.

What's needed to make a substantial step forward?

First and foremost, more capital needs to be invested in startups. Our research specifically shows that late-stage deals are mostly fueled by foreign investors (and in most of the cases abroad).

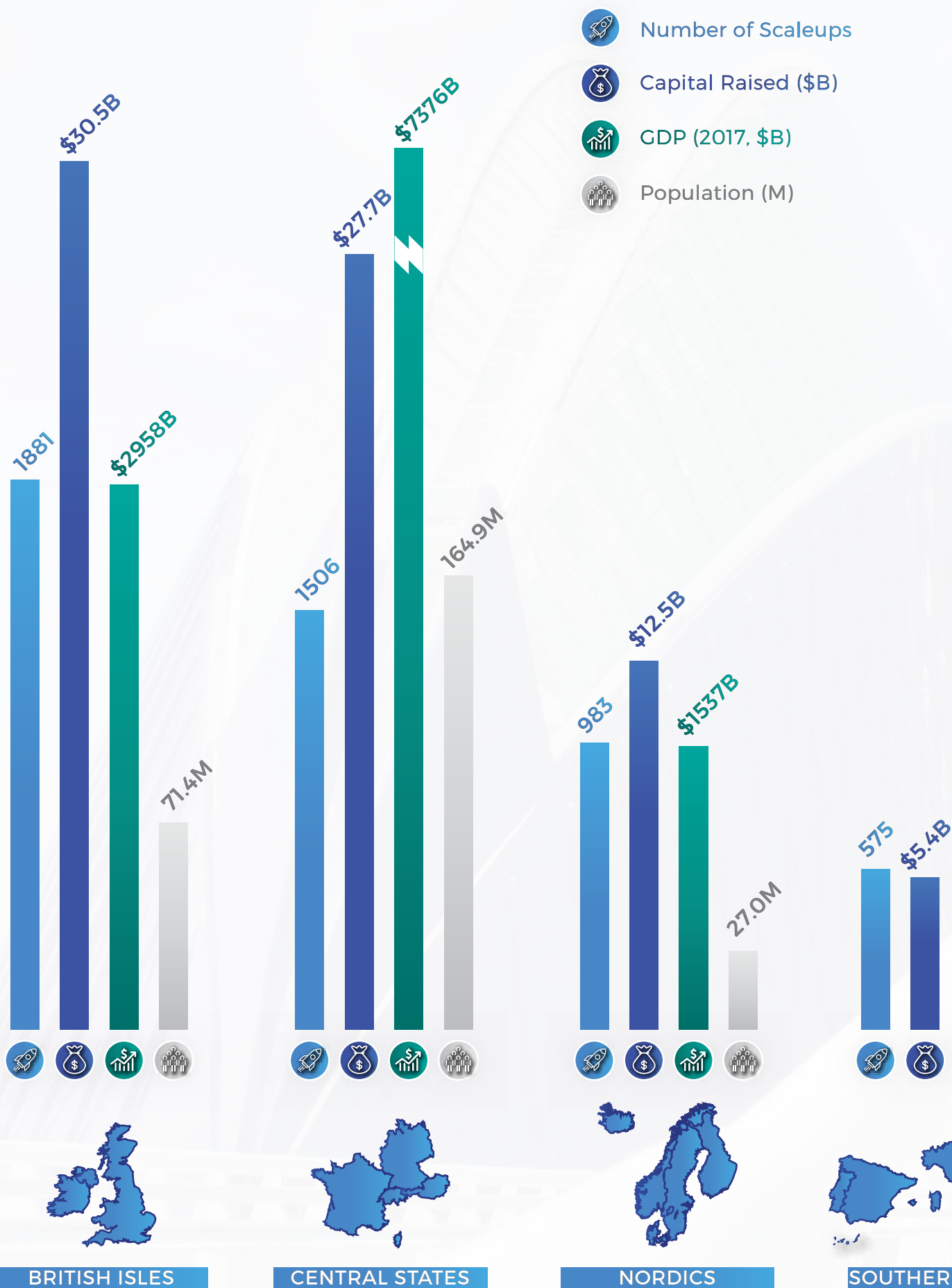
A deeper involvement of stock exchanges is needed in the startup economy. Only two Spanish scaleups went public. Therefore, more such activity is required here.

More corporate-startup collaboration and open innovation are needed. The number of Spanish startups sold is double the number of startups acquired by Spanish corporations, due to which there is a risk of losing technology, talent and become an obsolete industry.

Finally, more startup hotspots beyond Barcelona and Madrid are needed. Contrary to many other European countries that are characterized by an ecosystem strongly concentrated around one city, Spain has two major cities where scaleups flourish. Other cities need to add to the list.

Madrid, December 2018

Tech Scaleup Europe



Scaleup Speaking. Southern Europe Is Lagging Far Behind

In Europe, we tracked about 5,600 scaleups that together raised over \$83.2B in fundraising. In comparison to the previous year, the European ecosystem experienced a sustainable and noticeable growth: it added over 1,220 scaleups and \$22B to the earlier amounts.

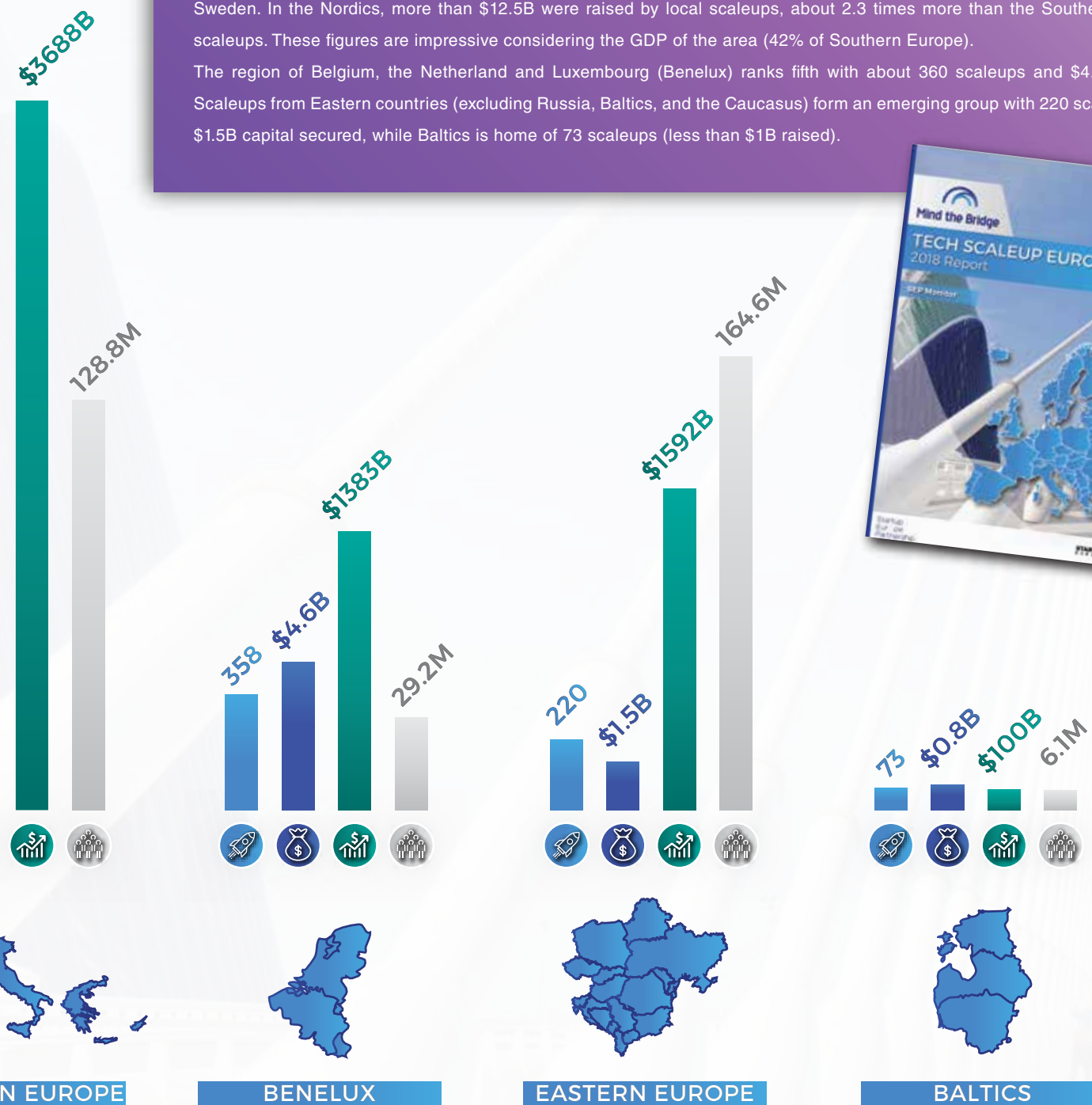
We ranked European regions by the number of scaleups identified and capital raised. The Southern region, where Spain belongs, ranks fourth in both number of scaleups (575) and capital raised (\$5.4B), at a relevant distance from the European benchmarks despite having the second largest collective GDP.

Top in the charts, there are the British Isles (UK and Ireland) with a total of 1,881 scaleups which collectively raised more than \$30B in financing. This region hosts respectively 3.3 times more scaleups than the ones in the Southern European region, despite the cumulative GDP being 20% lower.

The "Central States" (the region including Germany, France, Switzerland, and Austria) follow, with slightly more than 1,500 scaleups and \$28B secured, mainly driven by France (681 scaleups) and Germany (530).

The third region in the ranking is the Nordic area, totaling about 980 scaleups, about half of them (489) headquartered in Sweden. In the Nordics, more than \$12.5B were raised by local scaleups, about 2.3 times more than the Southern Europe scaleups. These figures are impressive considering the GDP of the area (42% of Southern Europe).

The region of Belgium, the Netherlands and Luxembourg (Benelux) ranks fifth with about 360 scaleups and \$4.6B raised. Scaleups from Eastern countries (excluding Russia, Baltics, and the Caucasus) form an emerging group with 220 scaleups and \$1.5B capital secured, while Baltics is home of 73 scaleups (less than \$1B raised).



Scaleup Europe: Spain Ranks 6th

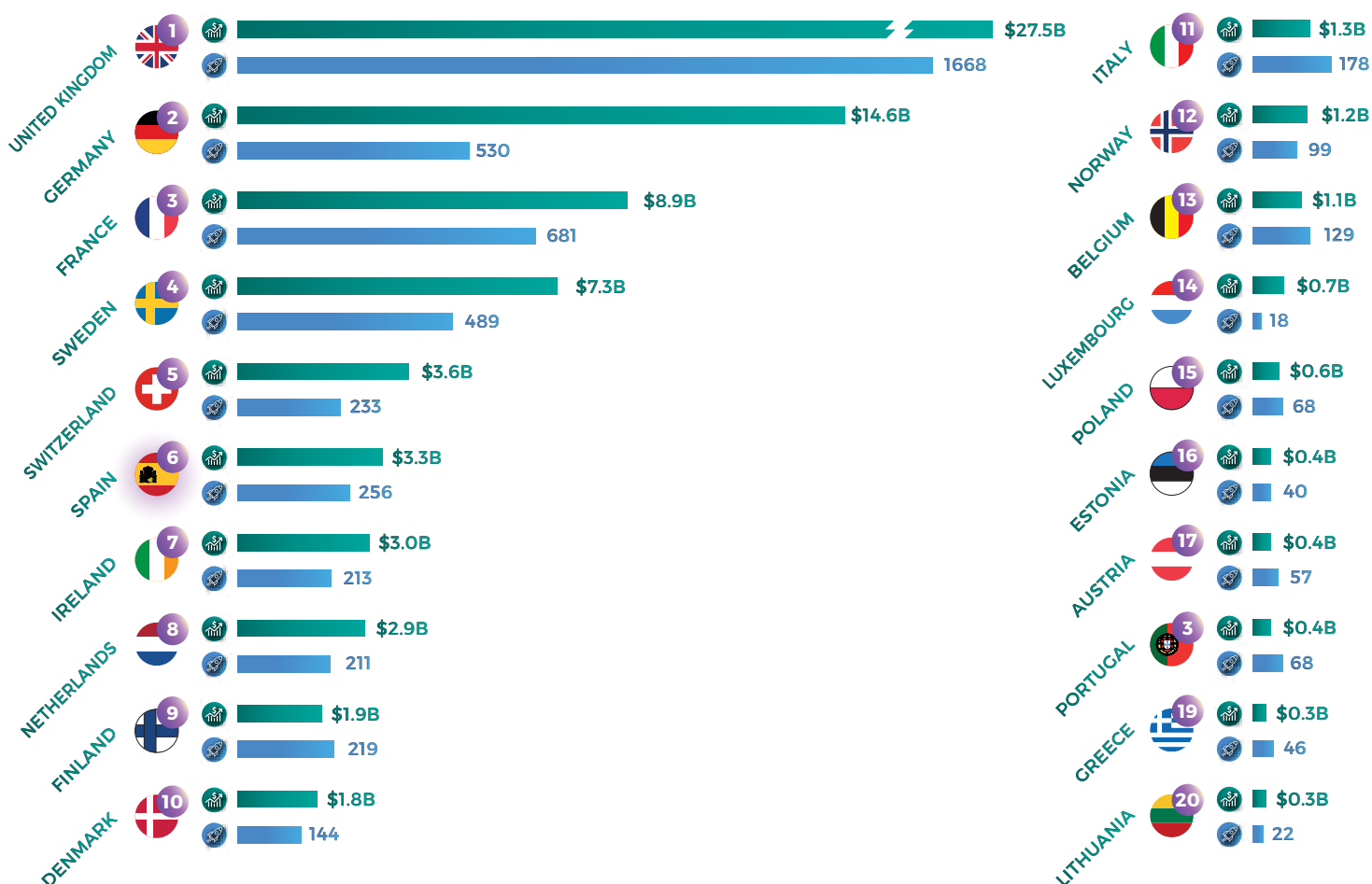
As of December 2017, we tracked 256 ICT scaleups in Spain, and those companies collectively raised \$3.3B in financing. The number of Spanish scaleups is equal to 4.6% of the total amount of scaleup in Europe, while the capital raised is 4% of the total funding poured into European Scaleups. As the established practice¹, for each European country, we calculate the "Scaleup Country Index," a performance indicator for the innovation in the ecosystems of the European continent. We identified and tracked scaleups, and their capital raised across 45 European countries and ranked them according to their performance in attracting funding for growth - either through VC, IPO or ICO, a new and fast-growing option of publicly selling cryptocurrencies.

The Spanish ecosystem ranks 5th in the number of scaleups just behind UK, Germany, France and Sweden, and 6th in the capital raised, behind the earlier order of countries and Switzerland.

Among the Southern European countries, it ranks 1st with about the 50% more scaleups comparing to the second in the rank, i.e., Italy (178 scaleups).

The total amount of Spanish scaleups is equal to both the Italian and Portuguese combined

FIGURE 1
SCALEUP EUROPE COUNTRY INDEX (2017)



1 - See: Mind the Bridge, *Tech Scaleup Europe 2018 Report*, June 2018

Furthermore, the total amount of Spanish scaleups is equal to the sum of the Italian and Portuguese ones.

The gap with the UK is too broad to be bridged, the English scaleups are 6.5 times more in number and raised 8.3 times more capital.

There is also no competition with Germany and France; they respectively count 2 and 2.6 times more scaleups than Spain.

The gap in terms of capital raised is even larger; 4.4 and 2.7 times respectively compared to the capital raised by Spanish scaleups.

The gap with the UK, Germany and France is too broad to be bridged.

Innovation Economy in Spain: A (Still) Hidden Potential?

We evaluate the efficiency of a scaleup economy to the country's size, through two indicators: the "Scaleup Density Ratio" and "Scaleup Investing Ratio".

Focusing on the scaleup Density Ratio, we identified 0.6 scaleups produced every 100,000 people.

The value is underperforming the European average of 1 scaleup every 100K inhabitants.

When we narrow our analysis to only Southern Europe Countries, Spain performs better than Italy (0.5), but it is slightly below Portugal (0.7).

The Scaleup Investing ratio measures the investments in the innovation of a country's scaleup economy, as well as the relevance of the scaleup sector to the total economy of a country as a whole.

With an average investing ratio equal to 0.25%, Spain overperforms the value recorded across the Southern European countries that is equal to 0.15%, although it still underperforms the European average of 0.45%.

Factoring together the indicators described above with the European average, we obtain the Scaleup Positioning Matrix with the averages at the origin.

Spain is located in the lower left quadrant, meaning that the innovation ecosystem is much smaller than its potential, considering the size of the economy.

Here we find countries that underperform the European average either in capital invested or the number of scaleups.

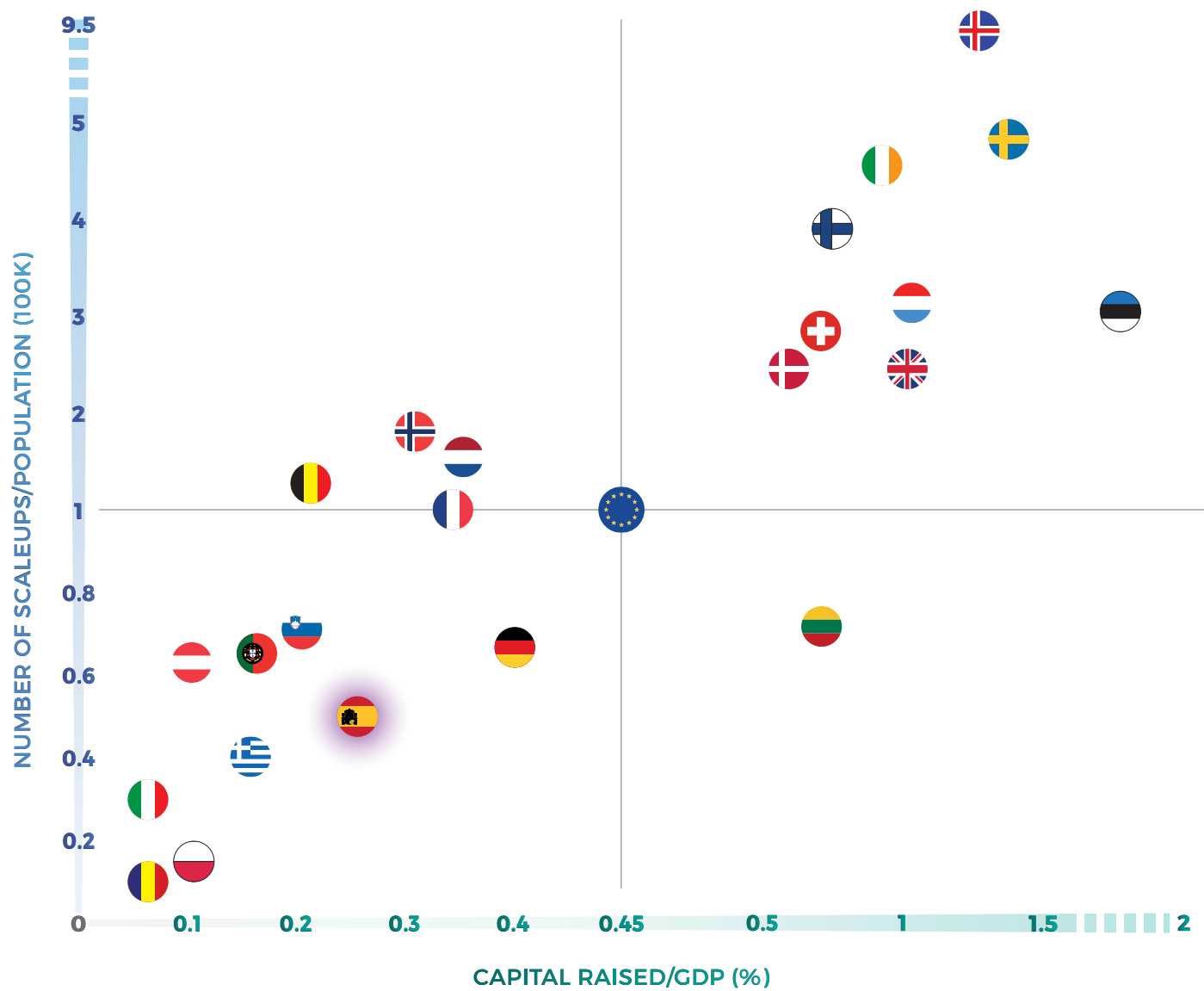
Those countries include Italy, Portugal, Poland, and Austria. Contrary, in the top right quadrant, are the leading ecosystems, i.e., countries characterized by both high volumes of scaleups and a large amount of financing (above the European average).

The UK and most of the Nordic countries are present in this quadrant. In top left quadrant are ecosystems (such as The Netherlands and Belgium) overperforming regarding the number of scaleups while showing below average figures regarding the capital raised.

Scattered around the origin are the ecosystems struggling between innovation and old establishments.

The Spanish innovation ecosystems is much smaller than its potential, considering the size of the economy

FIGURE 2
SCALEUP EUROPE MATRIX

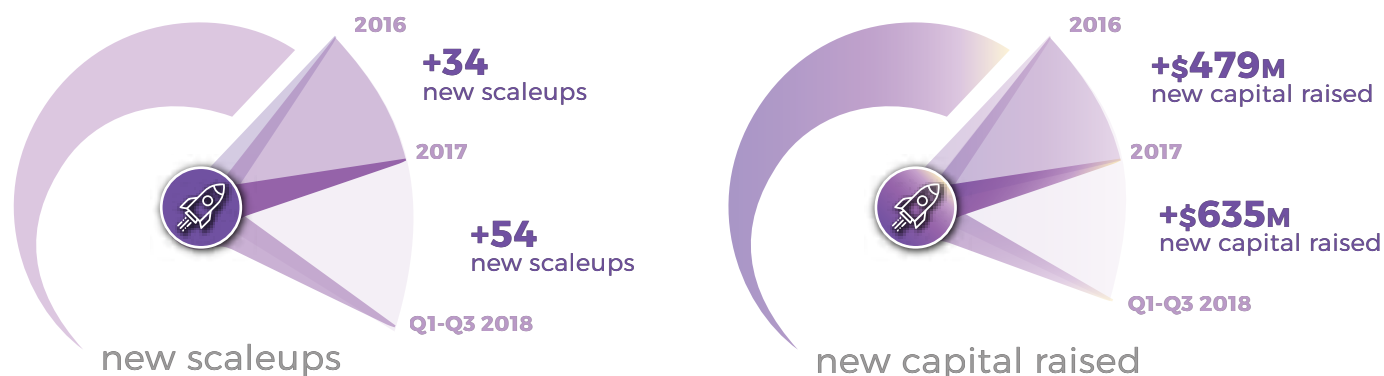


2018: A Growth Year for Spain

Preliminary data about 2018 suggests that the Spanish scaleup ecosystem is facing a growing pattern. Specifically, in the first 9 months of 2018, Spain added 54 new scaleups to its previous count, bringing the total number of Spanish scaleups to almost 310. The total number of scaleups added as of Q3 2018 is significantly higher than the total number of scaleups newly established in 2017 (it was 34 last year).

As concerning money, Spanish scaleups have been able to collect about \$600M in the first nine months of 2018, which is already outperforming the 2017 amount (\$500M). For the next upcoming quarter, we expect further capital to be poured into Spanish scaleups.

FIGURE 3
SPANISH INNOVATION ECONOMY: YOY GROWTH (2016-2018)



Although comparing the results for the first quarter of 2018 in Spain with those of other European countries, the signs of progress are not satisfying enough.

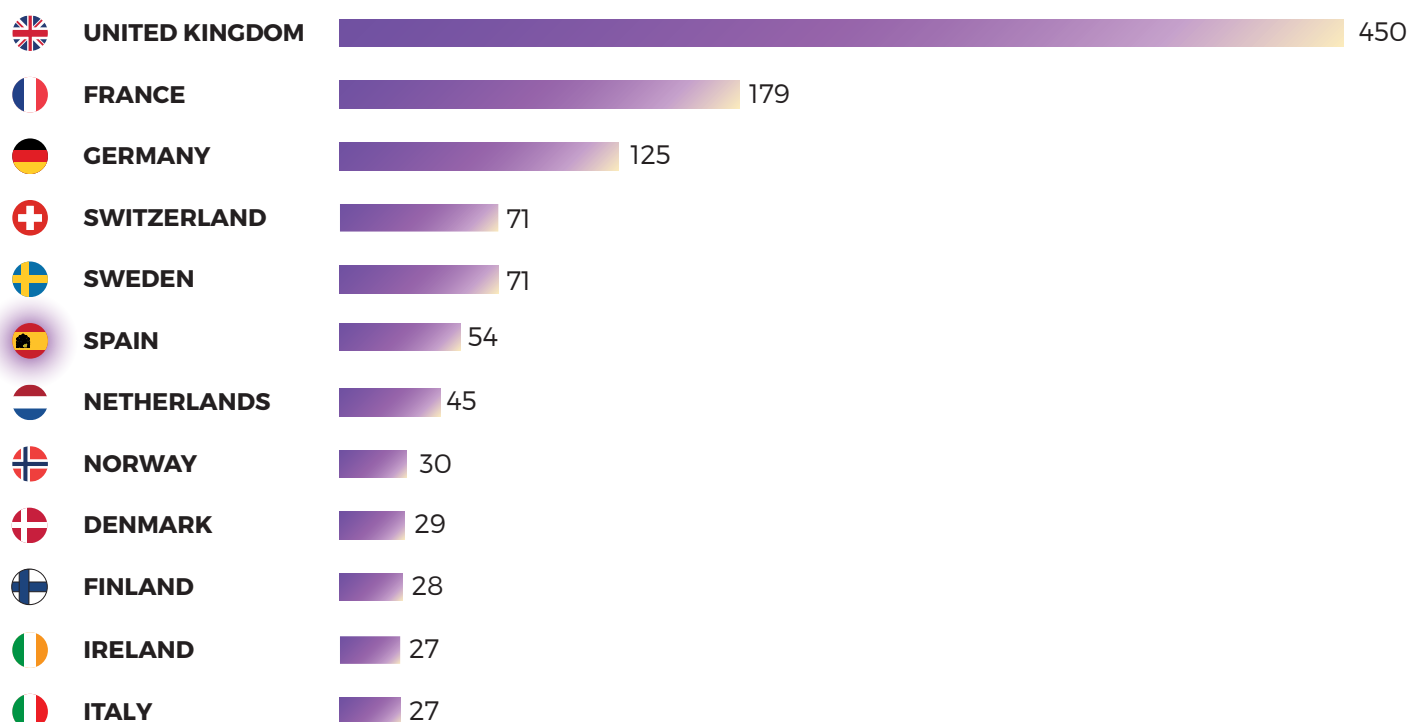
Also, if we exclude the top 3 countries namely the UK, Germany, and France that are most progressive, the gap with the most immediate comparables (Switzerland and Sweden) has been widening in 2018. In the first nine months of 2018 in the UK, 450 new scaleups were founded and almost \$8.7B invested i.e., 15x more capital and 8x more companies than Spain.

France added 180 and \$2.4B, while in Germany we identified 125 new scaleups with \$3.1B raised.

Switzerland stands behind these three top countries stealing the runner-up position from Sweden.

The gap has been widening in 2018

FIGURE 4
SCALEUP EUROPE: NEW SCALEUPS (Q1-Q3 2018)

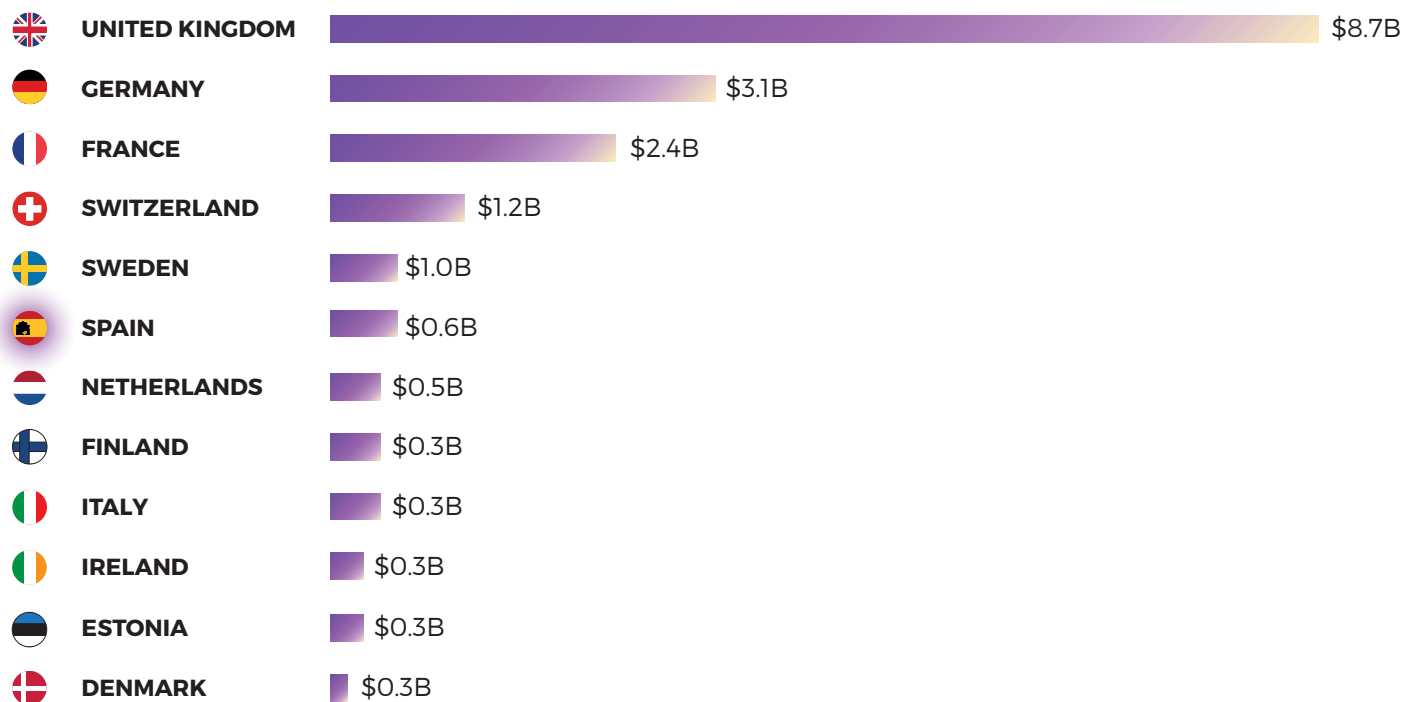


Notably, in Switzerland, by the end of Q3 2018, we predict 71 new scaleups being born and over \$1.2B raised in financing, doubling the funding raised in Spain. Spain ranks sixth following Sweden that collected \$1B and counts 71 new scaleups founded.

The Netherlands followed with 45 and new scaleups established and \$0.5B collected through the financing channels.

Countries such as Finland, Ireland, Estonia, Denmark, and Norway close the rank with \$300M raised as of Q3 2018.

 **FIGURE 5**
SCALEUP EUROPE: NEW CAPITAL RAISED (Q1-Q3 2018)



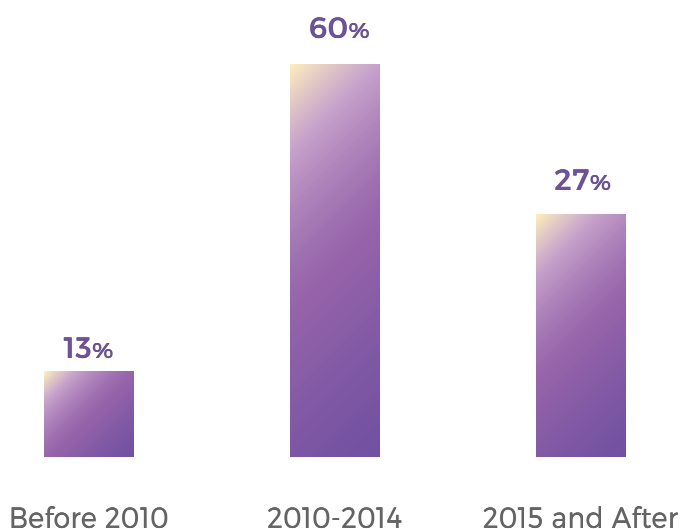
A Still Young Ecosystem

Spain is a younger ecosystem compared to other European countries. Our data² shows that on average, 35% of European scaleups were born before 2010. In Spain, only 13% of scaleups were established before that year. The 60% of Spanish scaleups are between 4 and 8 years old (being part of the 2010-2014 class), only 27% of tech companies were founded in 2015 or after.

Data about funding suggests that even though in the last 3 years period only 13% of scaleups were born, over 60% of scaleups have completed their previous funding in the same period.

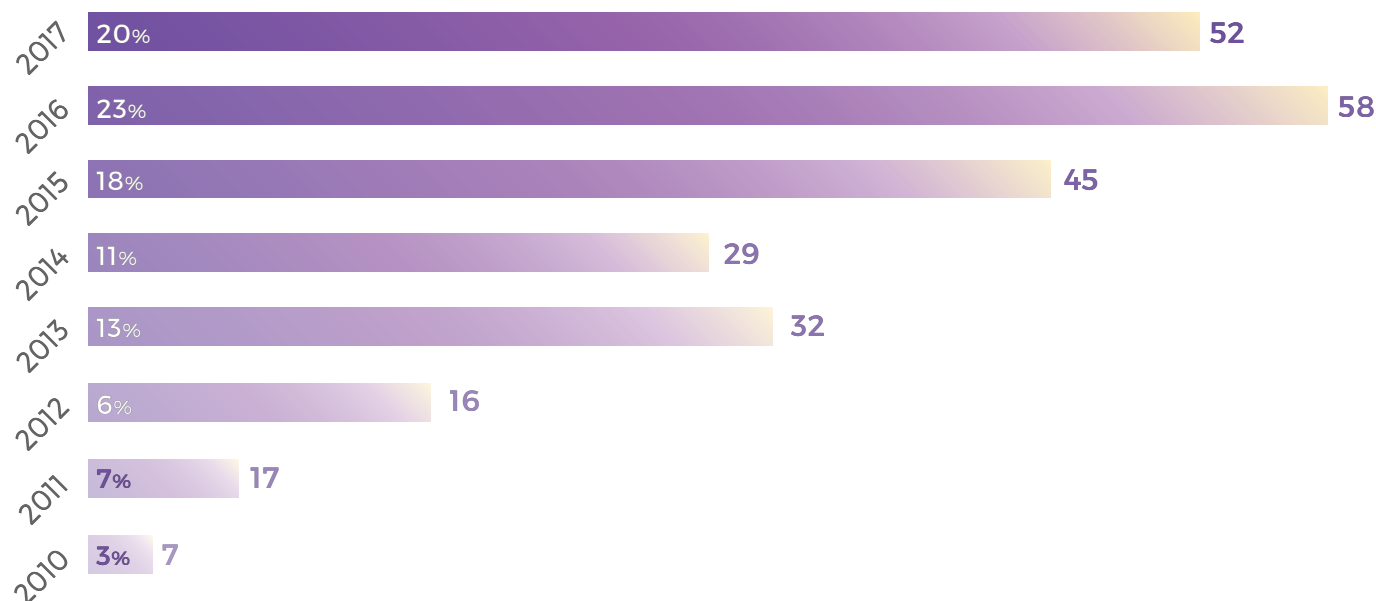
2016 was the peak year in terms of scaleups financed, while 2017 experienced a general slow down in the funding activity.

 **FIGURE 6**
SPANISH SCALEUPS PER YEAR OF ESTABLISHMENT



2 - See: Mind the Bridge, *Tech Scaleup Europe 2018 Report*, June 2018

FIGURE 7
SPANISH SCALEUPS PER YEAR OF LAST FUNDING EVENT



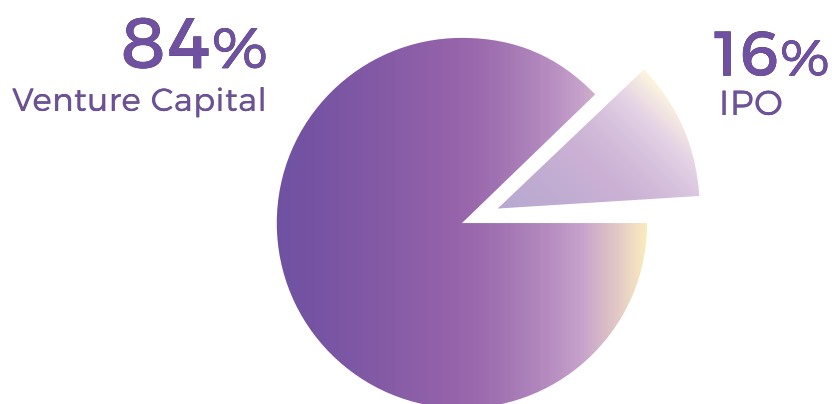
Scaleup Spain: Mostly a VC Play

Venture capital funds confirm to be the most used channels to finance scaleups.

84% of capital raised by Spanish scaleups, equal to \$2.7B, was collected through VC funds.

The remaining \$0.6B was secured on the public market. In Spain, there are only two scaleups that went public, namely Only-Apartments and Odigeo (also known as eDreams). Odigeo solely raised over \$500M through IPO on the Madrid Stock Exchange in 2014, amount equal to the 15% of total capital available.

FIGURE 8
SCALEUP SPAIN: FUNDING CHANNELS



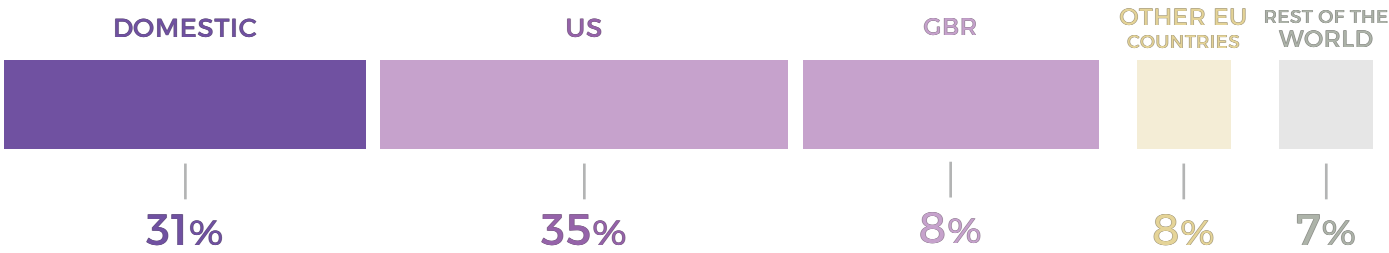
God Bless America. The First Source of Financing Are US Investors

In regards to the investors' nationality, only 31% of funding rounds are led by domestic investors who pour more than \$800M into scaleup with an average round value of \$2.7M. In Spain the first source of financing comes from the US-based investors accounting for 35% of total rounds, i.e. about \$1B investments into Spanish scaleups with an average round of \$14.6M. Although the UK-based investors led only 8% of the financing round, the average amount of

capital pouring into each round exceeds \$10M. Other European funds, as well as global funds still play quite a significant role in the financing of Spanish scaleups, and they account for the 6-7% of scaleup financing.

Our data shows how later stage financing for Spanish startups is mostly channeled by foreign investors (US and UK), while Spanish investors are still mostly focused on early phase.

FIGURE 9
VC INVESTMENTS INTO SPANISH SCALEUPS: NATIONALITY OF INVESTORS



Looking Abroad for (Later Stage) Funding

The phenomenon of dual companies, i.e., those companies that move their headquarters abroad, maintaining a strong operational presence in the country of origin, is common in the whole of Europe and Spain is no exception.

The number of duals company identified is 31 (12% of the total as of the end of 2017) that cumulatively secured 20% of capital available (more than \$650M). The preferred destination is the US with 23 companies relocating their HQs there, in particular, 14 scaleups moved their headquarters to Silicon Valley. Although not being part of the US, but still very close geographically, Mexico is home to 2 duals, that relocated the HQ to the country's capital city. The remaining dual companies are spread across the top European hubs, i.e., we identified 3 Spanish duals in London,

and one in each of the following hubs: Luxembourg, Paris, and Berlin.

In our report about dual companies³, we claimed that the main reason for companies to adopt this strategy is to gain access to later stage funding, and our research about the Spanish ecosystem confirms this trend. Data shows that the average amount of funding raised by dual companies is \$21.1M, while companies following a domestic funding path raised almost half the capital secured by duals, that is \$11.5M on average.

The preferred destination is the US, with 23 companies relocating their HQs there

FIGURE 10
SPANISH DUAL COMPANIES



3 - See: Mind the Bridge, *European Dual Companies: Scaleup Migration?*, June 2017

Winners Take All

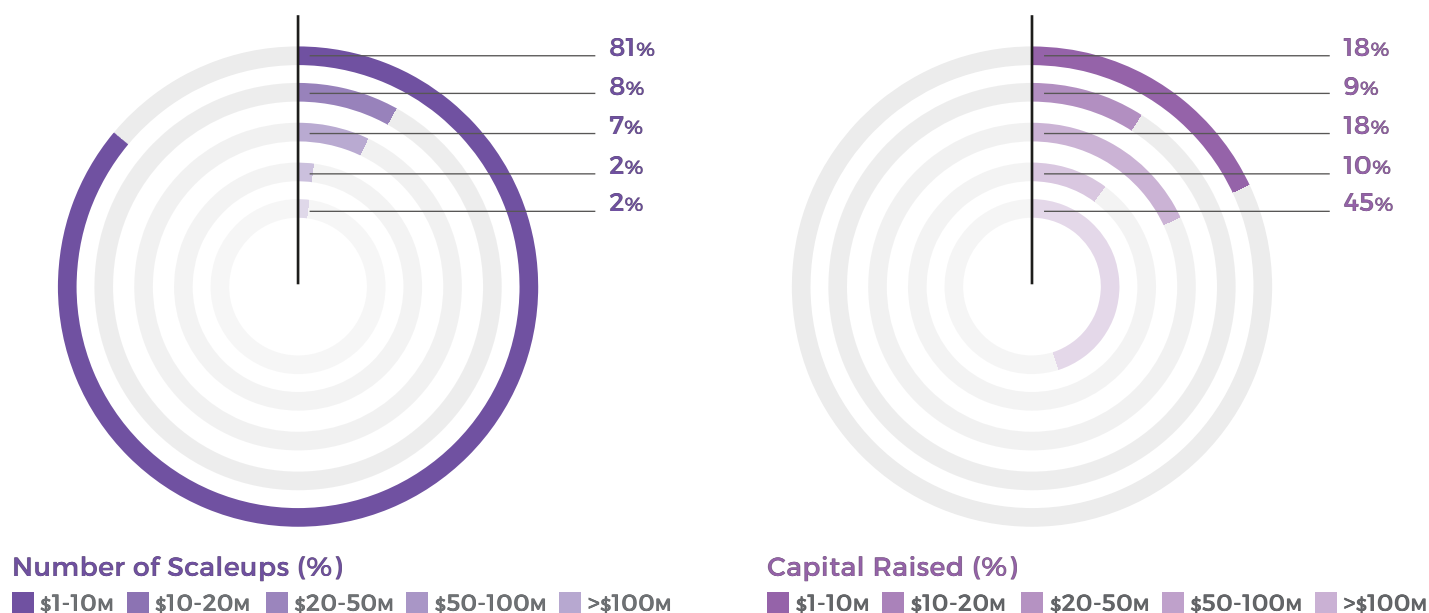
Small scaleups characterize the Spanish ecosystem.

81% of scaleups have raised less than \$10M securing a total of \$600M, equal to the 18% of the capital made available to Spanish high-tech companies.

The mid-scaleup segment (between \$10 to \$50M) is not so densely populated: only the 15% of scaleups are in the class and cumulatively they were able to attract 27% of total capital (about \$850M).

4% of Spanish scaleups, raised more than \$50M securing 55% of the total capital (i.e. about \$1.8B), with 6 of them (2%) being what we define as “scalers”, i.e. companies that raised more than \$100M in financing. Altogether, the scalers secured about \$1.5B that is 45% of the total funding.

FIGURE 11
SCALEUP SPAIN: DISTRIBUTION PER CAPITAL RAISED



An Ecosystem With Two Hotspots

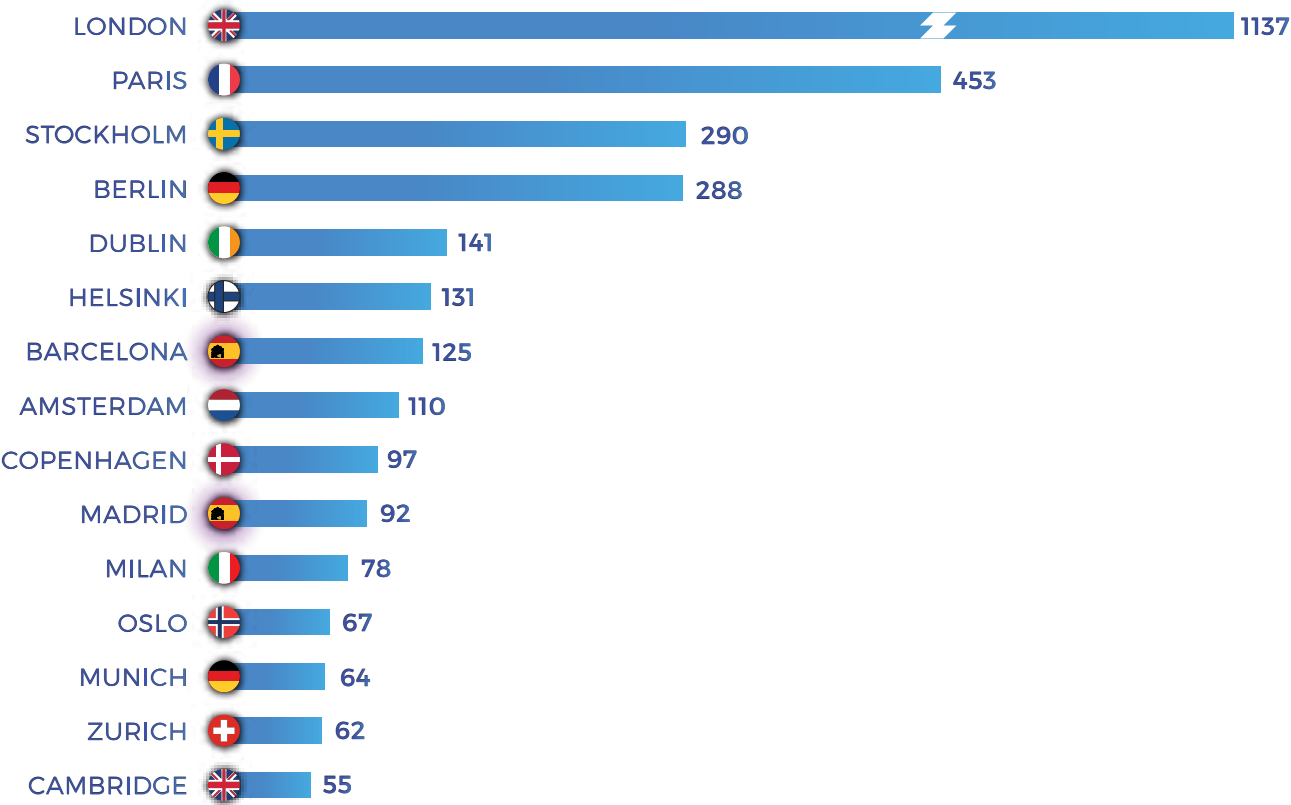
Contrary to many other European countries, characterized by an ecosystem strongly concentrated around one city, Spain has two major cities where scaleups flourish: Barcelona and Madrid.

With 125 scaleups (49% of the total) identified and over \$2B raised (62% of capital available), Barcelona is the largest hotspot of the Spanish scaleup ecosystem.

Madrid follows with more than 90 scaleups (36%) that secured slightly over \$1B (33%). Far behind, at third place, there is Valencia with 10 scaleups and only \$76M collected.

With 125 scaleups, Barcelona is the largest hotspot of the Spanish Scaleup Ecosystem

FIGURE 12
SCALEUP EUROPE CITY HUB INDEX



Looking at the European City Hub Index, we find both Barcelona and Madrid in the top 10. Barcelona is in 7th position, just behind Dublin (141 scaleups) and Helsinki (131) while Madrid ranks 10th, followed by Milan

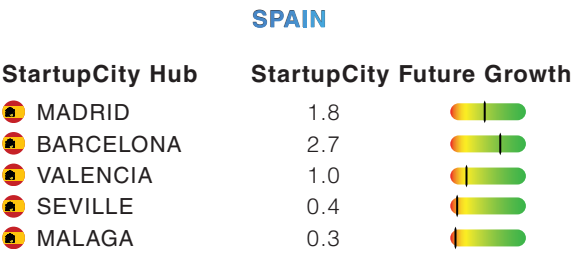
and Oslo. Spain is the only country with two cities among the top European city hubs for startups establishment.

How To Have More Startup Cities in Spain?

Our research⁴ shows how innovation economy in Europe is heavily concentrated around one or maximum two cities per country, while all the other cities and municipalities - that have been traditionally the backbone of the economy - face the risk to be progressively marginalized. This happens for Spain too, where Barcelona and Madrid account for 85% of the scaleups and 95% of capital invested. In our new “StartupCity Hubs in Europe” report, we introduced a methodology to assess the potential of cities to turn into larger scaleup hubs. On the one hand, we measured the gap between the main hotspots and the other cities.

The “StartupCity Future Growth” indicator - comparing the share a city has in the country’s startup economy and the current contribution to the national GDP - provides a first assessment of the evolutionary trajectory of a city.

FIGURE 13
FUTURE GROWTH INDEX FOR 5 SPANISH CITIES



4 - See: Mind the Bridge, *StartupCity Hubs in Europe*, November 2018

Values above 1 indicate cities that are likely to increase their economy role over time, while values below 1 are characteristics of cities that might be experiencing a decline in the medium term. Not surprisingly, Barcelona and Madrid show values well above the parity, while important cities like Bilbao, Seville, and Malaga are positioned below the parity (Valencia is just "au pair"). For those cities, it is key to develop startup strategies to regain centrality.

On the other hand, excluding the main StartupCity hubs, we calculated a ranking (StartupCity Innovation Potential") that assesses the potential of tier-two cities to turn into larger scaleup hubs. The ranking - that factors parameters such as the current economic role and size of the city, its ability to produce innovation, the strength of the

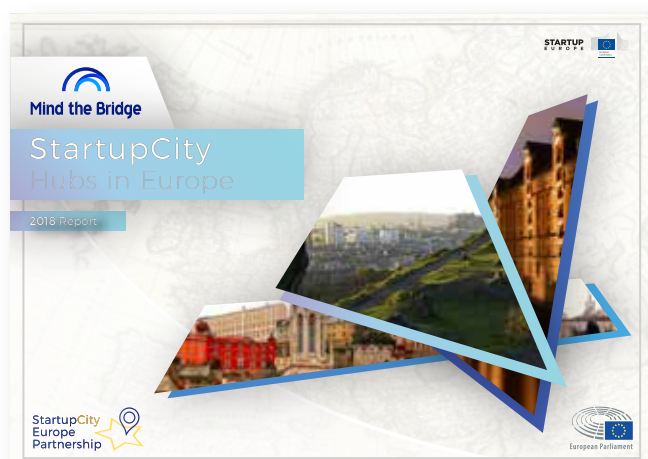
ecosystem and the talent pool - provides for each city a score ranging from 5 (maximum potential) to 1. The score is normalized at a European level.

Below presented are the values for the Spanish cities that are included in the top 150 "tier-two" StartupCity Hub list. No Spanish cities got a valuation above 3.

Valencia is the best positioned with a 3-star valuation, followed by Seville (2.5), and various cities with 2.

For cities like Bilbao, Seville and Malaga, it is key to develop startup strategies to regain centrality

FIGURE 14
SPANISH STARTUPCITY HUBS (AMONG THE TOP 150)



StartupCity Hubs in Europe

New release 2018 by Mind the Bridge
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mindthebridge.com/research

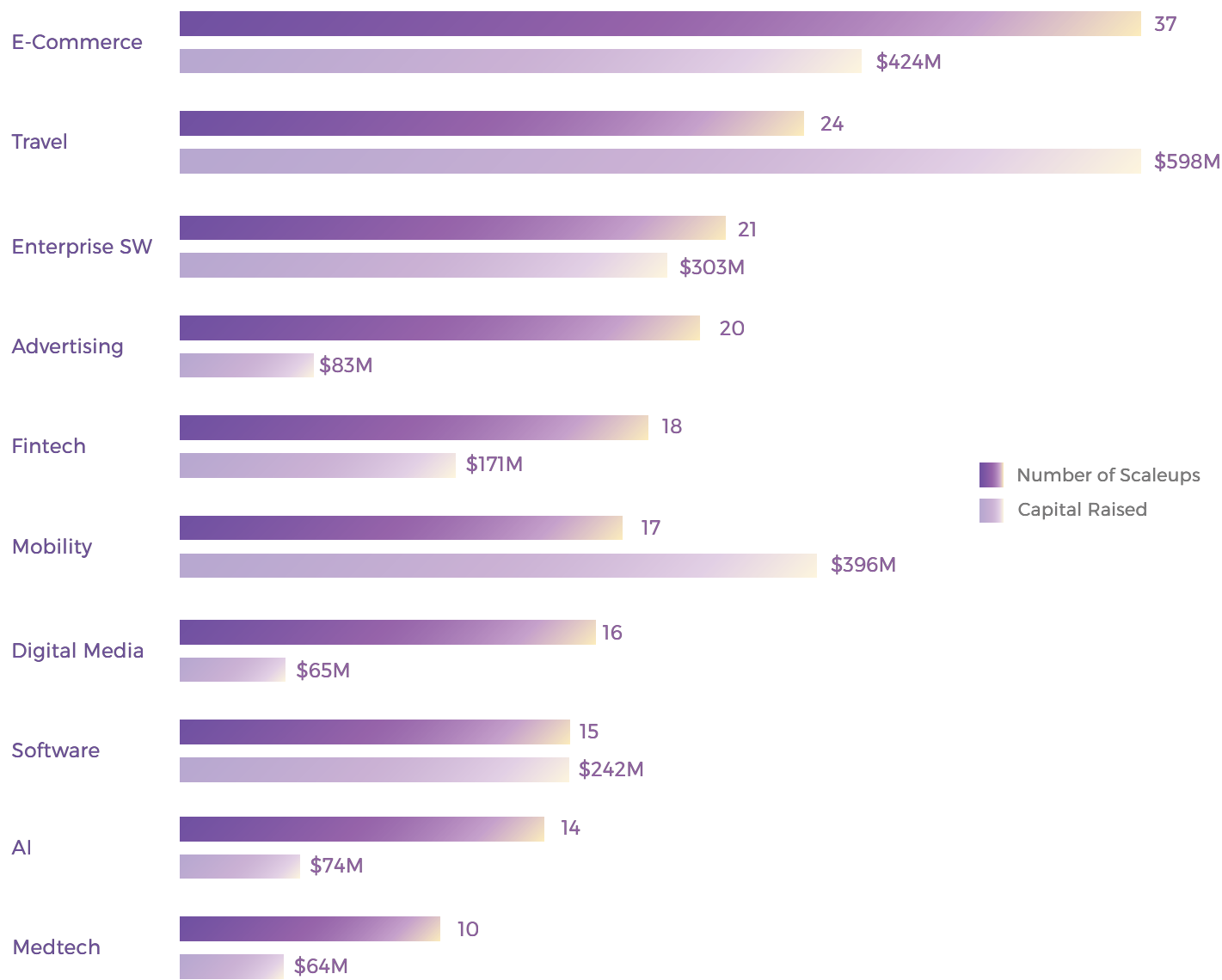
E-Commerce and Travel Still Dominate the Spanish Scaleup Scene

The Spanish scaleup landscape is populated by companies operating in several verticals, without any specific sector's speciality. E-Commerce sector is the most populated with 37 scaleups. The Travel vertical follows with 24 scaleups. Enterprise Software, (21 scaleups), Advertising (20), Fintech (18), Mobility (17), Digital Media (16) are also represented in Spain.

In terms of capital, the Travel vertical is the most funded with about \$600M raised (18% of capital available)⁵, followed by E-Commerce (\$420M, 13% of total) and Mobility (about \$400M raised, 12%).

E-Commerce sector is (still) the most populated with 37 scaleups

 **FIGURE 15**
SCALEUP SPAIN: TOP 10 INDUSTRIES



5 - This value is highly influenced by the presence of Odigeo, that alone raised over \$500M.

TOP PERFORMING Spanish Scaleups

Top Performing Spanish Scaler



FOUNDED: 2011 | HQ: MADRID | CAPITAL RAISED: \$403M | MOBILITY

Cabify is a Madrid-based startup, that offers on-demand transportation and competes with giants such as Uber and 99. The company, which was founded in 2011, is now valued at \$1.4 billion after raising the new round of \$160M, which comes from Rakuten, The Venture City, Endeavor Catalyst and GAT Investments, among others. Cabify serves over 13 million users in Latin America, Spain, and Portugal, and the fresh capital has been used to improve operations in existing markets.



FOUNDED: 2014 | HQ: MADRID | CAPITAL RAISED: \$12M | AI

Nextail is a tech company that brings artificial intelligence into retailers' inventory planning and merchandising decisions. The cloud-based platform combines artificial intelligence and prescriptive analytics to upgrade retailers' inventory management processes and store operations. It supports retailers with data-driven decisions, transforming how they buy new collections and distribute products. The company was founded in Madrid in 2014 and since then it raised \$12M, with the most recent financing of \$10M occurred in June 2018. The round was led by Lin London and Amsterdam based venture capital firm KEEN Venture Partners, together with Sonae Investment Management and existing investor Nauta Capital. The new financing has been used to accelerate product development and grow internationally.



FOUNDED: 2016 | HQ: MADRID | CAPITAL RAISED: \$40.4M | MOBILITY

Founded in Madrid in 2016, Ontruck offers a platform to better match supply and demand in the road freight industry. It enables companies who have road freight shipping needs in Spain, as well as in the U.K. to connect with the startup's network of over 2,200 lorry drivers operating in both countries. Earlier this year, Ontruck has been able to raise further \$28.2M to its previous funding (of \$12.2M), from previous backers including the global venture capital fund Cathay Innovation, Atomico, Idinvest, Point 9 Capital, among the others. The new capital has been used to consolidate the company's market position in the two already existing markets, as well as to expand to other European countries.



FOUNDED: 2014 | HQ: BARCELONA | CAPITAL RAISED: \$26.2M | AI

Red Points is an IP Protection SaaS company that provides brand protection for the sporting, entertainment, fashion & accessories, editorial markets. It offers a technology that provides the smart solution for brands and content owners to counterfeiting online and digital piracy.

The company was founded back in 2011 in Barcelona and since then it raised slightly over \$26M. In January 2018, Red Points closed a \$12M Series round led by Northzone, with the participation of previous investors such as Mangrove and Sabadell Venture Capital. A few months later, in June 2018, the company announced an additional investment extension round of \$12M. Eight Roads Ventures joined the existing investors.



FOUNDED: 2014 | HQ: MADRID | CAPITAL RAISED: \$56M | TRAVEL

Born in Madrid in 2014, Spotahome offers hotel booking-like experience for renters interested in mid to long-term accommodation. The company already operates in 33 European cities and has about 55,000 properties listed on the website.

In the first semester of 2018, the company raised \$40M in financing, the round was led by Kleiner Perkins Caufield & Byers. The capital secured has been used to hire new marketing and product development, executives.



FOUNDED: 2015 | HQ: BARCELONA | CAPITAL RAISED: \$29.5M | TRAVEL

Established in Barcelona in 2015, Travelperk offers business travel booking and management platform for companies of any size.

The company has built out an end-to-end business travel platform on which clients can search flights and hotels, book and pay for them, manage their itineraries and have access to their travel data -all in one place.

On April 2018, Travelperk raised \$21M in a Series B round led by Berlin-based Target Global and London' Felix Capital, bringing the total raised up to \$30M. The capital has been used to scale the business, by adding software engineers, product owners, sales reps and customer support to the team, as well as to expand its market with new offices in countries worldwide.

Startup M&As: Is Spanish Scaleup “On Sale”?

Last September, Mind the Bridge in collaboration with CrunchBase and with the support of Orrick launched the new “Tech Startup M&As” report, including in-depth analysis of worldwide tech existing. The report included an analysis of over 22,000 M&As operations including startup occurred since 2010.

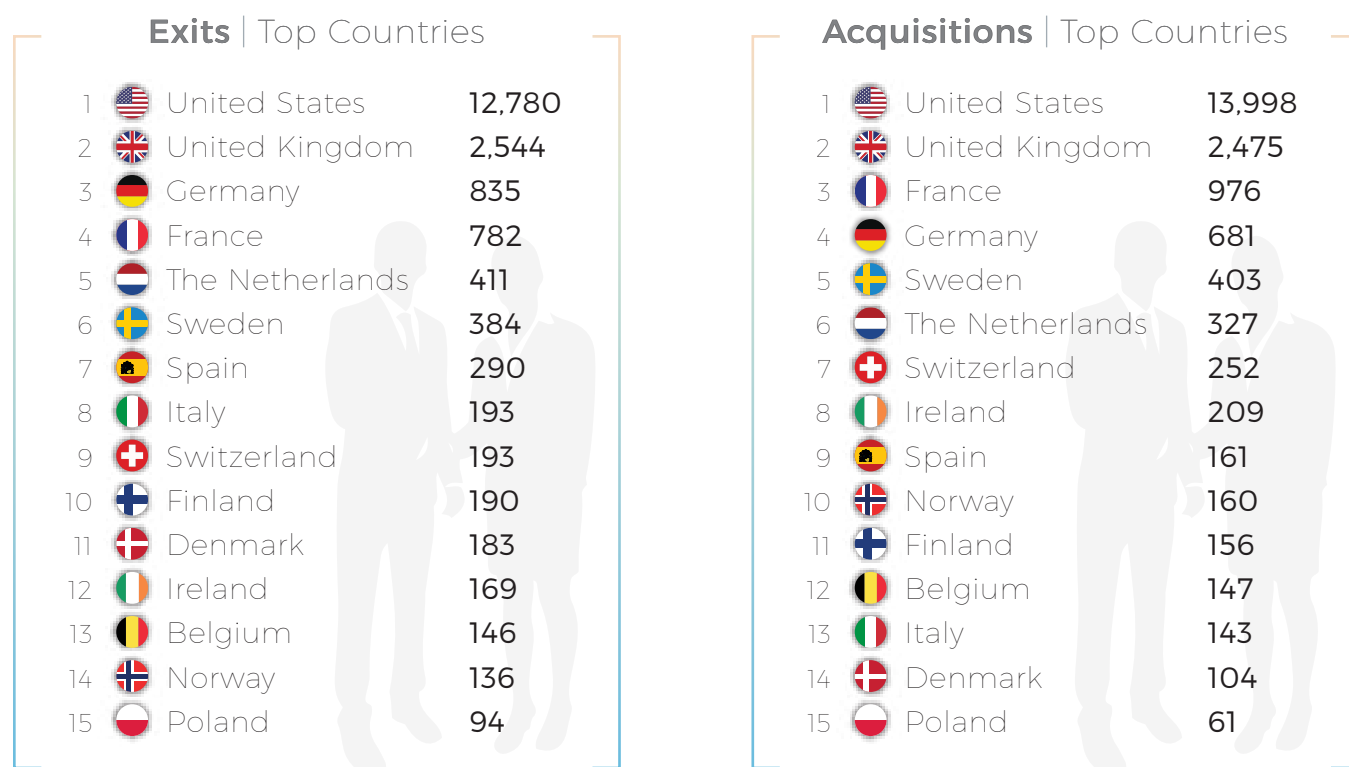
Our research identified 290 exits for Spanish startups, bringing the country in the 6th position among all the European countries. Spain stands quite far from the Netherlands and Sweden (approx. 400 exits each), but still in a better position than Italy and Switzerland (that have all figures below 200). The gap with the UK, Germany, and France is once again too wide to be bridged, with respectively 2,544, 835 and 782 exits identified.

Looking at the buy side, i.e. the startup acquisitions carried out by Spanish corporates, we identified 161 transactions occurred since 2010.

Spain ranks 8th among the European countries, after Switzerland (252) and Ireland (209).

It is quite worrisome the fact that there is a 2:1 ratio between the number of Spanish startups that are sold and the number of startups that are acquired by Spanish corporations. This could lead to a situation where technology, innovation, and new capabilities leave the country and industry turn into obsolete.

 **FIGURE 16**
US AND EUROPEAN EXITS AND ACQUISITIONS: TOP 15 COUNTRIES























M&A Speaking, the Gap Between Barcelona and Madrid Is Smaller

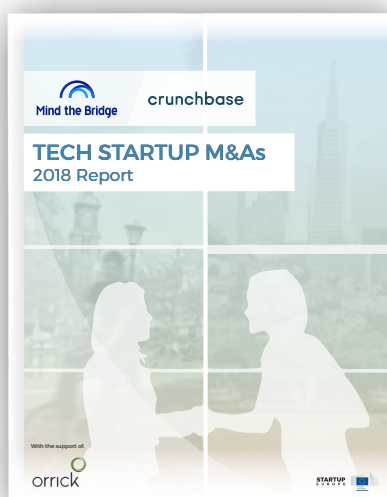
If Barcelona stands as the top Spanish scaleup ecosystem as concerns fundraising and scaleups establishment, Madrid is characterized to be the main hotspots re: startup M&As activity.

In Madrid, we identified 104 exits and 65 acquisitions, while Barcelona counts 94 exits and 58 acquisitions.

Madrid is characterized to be the main hotspot re: startup M&As activity

 **FIGURE 15**
EXITS AND ACQUISITIONS: TOP EUROPEAN HUBS

Top European Hubs		
	Exits	Acquisitions
1  London	1,009	1,422
2  Paris	339	456
3  Berlin	199	176
4  Stockholm	175	244
5  Amsterdam	126	137
6  Dublin	117	209
7  Munich	105	108
8  Madrid	104	63
9  Barcelona	94	58
10  Helsinki	83	100
11  Copenhagen	81	45
12  Hamburg	75	58
13  Manchester	67	71
14  Milan	65	60
15  Oslo	61	111
16  Wien	57	30
17  Warsaw	44	38
18  Edinburgh	43	27
19  Gothenburg	36	10
20  Rome	31	16



Tech Startup M&As 2018 Report

New release 2018
by Mind the Bridge and Crunchbase
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mindthebridge.com/research

RECENT

Top Spanish M&As



FOUNDED: 2000 | HQ: MADRID | PRICE PAID: \$259M | ACQUIRED BY: EQUINIX

Founded in Madrid in 2000, Itconic provides data center, connectivity and cloud infrastructure solution in Spain and Portugal.

The company's subsidiary, CloudMas, supports the enterprise adoption and use of cloud services. On September 2017, Equinix signed the agreement to acquire Itconic for about \$260M.

The acquisition of Itconic will further strengthen Equinix's position in Europe, with five data centers in four metros, two located in Madrid, one in Barcelona, one in Seville, and one in Lisbon.



FOUNDED: 2002 | HQ: BARCELONA | PRICE PAID: \$15M | ACQUIRED BY: MITEK SYSTEMS

ICAR provides solutions for the identity verification for customers in Spain and Latin America. Founded in Barcelona in 2002, today it counts offices in Madrid, Sao Paulo, and Mexico City.

In December 2017, Mitek agreed to acquire ICAR for \$15M to strengthen its global position as the provider of digital solutions for identity verification.

As a result of the acquisition, Mitek will offer exhaustive identity document coverage in North America, Europe, and Latin America, while Icar will increase its identity verification capacities with new authentication factors.



FOUNDED: 2010 | HQ: MADRID | PRICE PAID: \$5.7M | ACQUIRED BY: EVENTBRITE

Ticketea offers an events discovery and ticketing platform that allows users to find and book tickets for a variety of experiences, including festivals, concerts, and exhibitions.

In the first semester of 2018, Ticketea was acquired by Eventbrite for an undisclosed amount, although sources said it is between \$10-15M. The acquisition will support Eventbrite to expand its global footprint in music events and festivals, in particular in the Spanish market.

Methodology

The SEP Monitor focuses on Tech Companies (ICT sector only).

Definitions:

Mind the Bridge (MTB) categorizes Tech Companies as follows:

Startup:

<\$1M funding raised (since foundation) and at least one funding event since 2010.

Scaleup:

>\$1M funding raised (since foundation) and at least one funding event since 2010.

Scaler:

>\$100M funding raised (since foundation) and at least one funding event since 2010.

Super Scaler:

>\$1B funding raised (since foundation) and at least one funding event since 2010.

Dual Company:

Startup founded in one country that relocated its headquarters – and with that part of its value chain – abroad, while maintaining a strong operational presence in its country of origin.

Only Tech Companies founded in the new Millennium have been considered.

Only Tech Companies operating in ICT sector have been considered (Industries not covered: pharma, biotech/life science, industrial/manufacturing, nanotech/semiconductors).

Categorization is based on capital raised (including both capital raised by private investors and through IPO/ICO), not on valuation. This alternative methodology is the one used by The Wall Street Journal and Dow Jones Venture Source that are tracking venture-backed private companies valued at \$1 billion or more (aka The Billion Dollar Startup Club or Unicorn Club).

Other Definitions:

Capital Raised:

All equity investments made by private investors (includes, among the others, Venture Capital, Corporate Venture Capital, Seed Capital, Business Angels, Accelerators and Public Sector investment vehicles that are regarded as "equity-type investments" - e.g. EIB) and on the stock markets.

Exit:

Liquidity event that occurred since 2010.

M&A (Merger & Acquisition):

For companies that exited via M&A, the valuation is the amount that the company got acquired for.

IPO (Initial Public Offering):

For companies that went public, the exit valuation is that on the day of the IPO.

ICO (Initial Coin Offering):

A mean of raising capital using cryptocurrencies issued by the company ("tokens") in exchange for legal tender or other cryptocurrencies such as Bitcoin or Ethereum. Price data converted in US\$ at day of sale. Data collected from Tokendata.io, Coinmarketcap.com and other sources including official company documents.

GDP (Gross Domestic Product):

Data from International Monetary Fund (2017).

Population:

Data from World Bank (2017 or last year available).

Indicators:

Mind the Bridge produces and monitors the following indicators:

Scaleup Density Ratio:

Number of scaleups per 100K inhabitants. A measure of density of scaleups in a given ecosystem.

Scaleup Investing Ratio:

Capital raised by Scaleups as a percentage of GDP. A measure meant to measure the capital invested in scaleups in a given ecosystem, compared to the size of the overall economy of that country.

Scaleup Country Index:

Country ranking built upon Scaleup Density Ratio and Scaleup Investing Ratio. A measure of the overall innovation commitment of a given ecosystem and its ability to produce significant tech players.

Scaleup (City) Hub Index:

Hub ranking built upon Scaleup Density Ratio and Scaleup Investing Ratio. A measure of the overall innovation commitment of a given city/tech hub and its ability to produce significant tech players.

Scaleup Matrix:

The matrix visually compares ecosystems by factoring the Scaleup Density Ratio and Scaleup Investing Ratios.

StartupCity Future Growth:

It compares the share that a StartupCity Hub has in the country's startup and scaleup economy and the contribution of the StartupCity hub to the domestic economy today.

StartupCity Innovation Potential:

Normalized index that assesses the innovation potential of a StartupCity, factoring different parameters. For complete methodology refer to Mind the Bridge, *StartupCity Hubs In Europe. 2018 Report*.

Geography:**Continental Europe:**

"Tech Scaleup Europe" analyzes scaleups headquartered in 45 Continental European states as listed below. We define European regions as follows:

British Isles: United Kingdom, Ireland

Central States: France, Germany, Switzerland, Austria, Principate of Monaco, Liechtenstein.

Nordics: Denmark, Iceland, Finland, Sweden, Norway.

Southern Europe: Spain, Italy, Portugal, Greece, Malta, Cyprus, Andorra, San Marino, Vatican City.

Benelux: The Netherlands, Belgium, Luxembourg.

Eastern Europe: Poland, Czech Republic, Slovakia, Slovenia, Croatia, Serbia, Bosnia and Herzegovina, Montenegro, Macedonia, Kosovo, Albania, Romania, Bulgaria, Hungary, Moldova, Ukraine, Belarus.

Baltics: Estonia, Lithuania, Latvia.

Timeframe:

International scaleup data refer to funding transactions completed until December 31, 2017.

Annual trend analysis is based on funding transactions completed until June 30, 2018. Analysis is ongoing.

Data re: Startup M&As refer to startup acquisitions completed since 2010 and afterwards until June 30, 2018. For complete methodology refer to Mind the Bridge & Crunchbase, *Tech Startup M&A. 2018 Report*.

Disclaimer:

Mind the Bridge sources of information include the MTB database, business information platforms, portfolios of VC companies, corporate venture units, business angels, accelerators and active seed and early stage funds, crowdfunding platforms, tech competitions and events, and other relevant channels.

Research is ongoing and results reported in the SEP Monitor are subject of continuous update.

Mind the Bridge welcomes research from everyone in the local startup ecosystems by providing data and indicating cases of scaleup companies and exits to be monitored.

Spain has two major cities where scaleups flourish: Madrid and Barcelona.
Other cities need to add to the list.



ALBERTO ONETTI
Chairman
Mind the Bridge

In Europe, the glass is half full.
Startup ecosystems start to be connected among themselves.

This high level of connectedness contributes significantly
to help startups in their growth phase.

We still need to do more.
Our competitive advantage is to be united in diversity.

Advantage that can only be realised by working
at ecosystems level to be a Startup Europe:
startup continent.



ISIDRO LASO
Head of Startup Europe
European Commission



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About Mind the Bridge

Mind the Bridge is a global organization that provides innovation advisory services for corporates and startups. With HQs in San Francisco (CA) and offices in London, Italy and Spain, Mind the Bridge has been working as an international bridge at the intersection between Startups and Corporates since 2007.

Mind the Bridge scouts, filters and works with 2,000+ startups a year supporting global corporations in their innovation quest by driving open innovation initiatives that translate into curated deals with startups (namely POCs, licensing, investments, and/or acquisitions).

Mind the Bridge publishes curated reports on the status of the scaleup ecosystems in different geographies, as well as M&A and innovation market trends in various verticals.

Mind the Bridge has strong partnerships with entities such as the London Stock Exchange and the European Commission, for whom it runs the Startup Europe Partnership (SEP) open innovation platform.

Mind the Bridge is the organizer of the Startup Europe Comes to Silicon Valley (SEC2SV) and Startup Europe Comes to Israel (SEC2IL) missions and the European Innovation Day conference.

For more info:
<http://mindthebridge.com> | [@mindthebridge](#)