Interest in positioning your company in the European and/or Latinoamerican market

Interest in launching your business idea or boost your startup

Interest in investing in innovative and booming technologies

The Region of Madrid is your best ally, ...
The Madrid Region Madrid ranks 6th among the 78 most important tech hubs in Europe.

3rd European Region by number of multinationals.

33% of the tech companies with a presence in Spain are in the Madrid Region, where 70% of the business volume is concentrated.

More than 1,000 startups in Madrid in 2017 (40% more than in 2016). 31.5% of the total of Spain.

€ 191.8 million of investment in startups located in Madrid in 2016. 47.6% of the investment in Spain.

Consolidation of financing rounds of more than 10 million and an increase in the number of Exits in recent years.

3 of the 20 best business schools in Europe are in Madrid. Between 20 and 25% of its graduates choose the technology sector to work.

4th Region of Europe by number of developers and 1st of Spain, with 50% of the total.

Amazon, with its Tech Hub, and Google, with its campus, have recently bet on the talent of Madrid.

32% of the Spanish innovative ecosystem is located in the Madrid region.

Pioneers, together with France and the UK, in the development of the 5G network and in the application of patent box.

Spain is a strategic point for different submarine communication nodes (Marea, EllaLink and Orval).

Where investors try and repeat

Where talent is cared for and empowered

Where the future is built
Welcome to the Region of Madrid, your new home

Big Data / Data Analytics
1. Main magnitudes of the ICT sector.
3. Thoughtful local demand.
4. Last investments received.

1. A source of financing for every need.
2. Talent financing.
3. Success stories.
4. Tax system.
5. Tax support for innovation.
6. Key contacts

1. Tailor-made teaching and research infrastructures.
2. Quarry of talent that bets on the sector.
3. Mature labor market with available resources.
4. Most competitive labor cost in the European advanced regions

1. Knowledge ecosystem
2. Infrastructures at the forefront of the world.
1. Main magnitudes of the ICT sector.
3. Thoughtful local demand.
4. Last investments received.
The Madrid Region is one of the main Tech Hubs in Europe

3rd region of Europe, after London and Moscow and 1st of Spain by number of multinationals (Recently: Amazon and Ryanair)

More than 1,000 startups in Madrid in 2017 (40% more than in 2016). 31.5% of the total of Spain

€ 191.8 million of investment in startups located in Madrid in 2016. 47.6% of the investment in Spain

6th place among the 78 most important tech hubs in Europe

ICT companies + Startups = Technological ecosystem

69.3% of the ICT business volume in Spain

33% of ICT companies located in Spain (44% of large companies and 34% of medium companies)

The average value of financing rounds in Spain (€ 3.64 million) has doubled between 2016 and 2017

In the Madrid Region, 450 new technology companies are created every year

4th Region of Europe by number of developers and 1st of Spain (50% of Spain)

The Region of Madrid forms a highly internationalized ecosystem, in which startups find a highly collaborative environment.

**MAIN COMPANIES BY BILLING VOLUME**
- AMADEUS
- INDRA
- SAMSUNG
- MÁSMÓVIL
- ESPRINET

**MAIN MULTINATIONALS IMPLANTED**
- Capgemini
- IBM
- accenture
- Microsoft
- TELEFÓNICA

**MAIN SPANISH STARTUPS**
- CARTO
- QMENTA
- mATH RESEARCH
- SYNERGIC
- epinium
- logtrust

€ 68,428M of turnover in 2015

1st by number of multinationals in Spain

23 operational data centers in 405,600 square feet

In the Madrid Region, the largest offer of data centers in Spain is concentrated

**23**
Operational data centers in Madrid

**€441M**
Big Data turnover in 2014

**+10,000**
People in the Big Data industry in Spain

**+30%**
Big Data market grows YtY. Seven times more than the traditional technological investment.

“The data center is, nowadays, the fundamental piece of the digital transformation in Spain. Emerging technologies (Internet of things, cloud computing, Big Data, Smart Cities and Industry 4.0) are the architects of the beginning of a new era in which hybridization, open innovation and the development of new business models must become phenomena essentials ICT and the Internet are the engines of the digital economy and will undergo a huge transformation in the coming years.”

José Luis Friebel
DatacenterDynamics Managing Director

Source: Eurocloud Spain
Seven of the tractor sectors of the economy of the Region of Madrid make intensive use of big data and act as tractors of the sector.

### Madrid has a unique business and industrial network for the development and commercialization of services and solutions

<table>
<thead>
<tr>
<th>National and multinational companies of reference</th>
<th>GOVERNMENT, HEALTH and EDUCATION</th>
<th>CONSTRUCTION AND REAL ESTATE</th>
<th>COMMERCE</th>
<th>PROFESSION SERVICES</th>
<th>TELECO</th>
<th>BANKING AND FINANCES</th>
<th>TOURISM</th>
<th>LOGISTICS</th>
<th>MEDIA</th>
<th>ENERGETIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>% s / GDP of Madrid</td>
<td>16,04%</td>
<td>14,40%</td>
<td>13,29%</td>
<td>12,83%</td>
<td>11,09%</td>
<td>6,51%</td>
<td>6,07%</td>
<td>5,69%</td>
<td>2,99%</td>
<td>2,39%</td>
</tr>
<tr>
<td>% s / Employment of Madrid</td>
<td>20,23%</td>
<td>5,99%</td>
<td>15,64%</td>
<td>18,80%</td>
<td>6,33%</td>
<td>3,76%</td>
<td>7,40%</td>
<td>5,02%</td>
<td>2,21%</td>
<td>0,76%</td>
</tr>
</tbody>
</table>

The main ICT subsectors and the business and industrial tissue of Madrid make up a collaborative ecosystem

| Big Data / Data Analytics | 📈 | 📈 | 📈 | 📈 | 📈 | 📈 | 📈 | 📈 | 📈 | 📈 | 📈 |

Source: 1. Elaboración propia con datos del Instituto Nacional de Estadística (INE)

Caption: Hybridization level

High

Medium

Low
Each year new technology companies rely on the Region of Madrid and those that already have a presence increase their investment

Huawei
In 2004 opens its HQ in Madrid to develop its business

Facebook
In 2010 Facebook opened its offices in Madrid

Google
In 2015 Google created in Madrid one of its six campuses for innovation

Acciona
In 2016, the 1st 3D bridge was printed in Madrid

Nokia Siemens y Vodafone
In 2009 opening of its worldwide investigation center in Madrid

Amazon
In 2012 opening of the 1st spanish logistic center in Madrid

Synergic Partners (TEF)
In 2014 Synergic Partners among the top 20 Big Data worldwide companies

UBER
In 2017 Uber locates in Madrid its main offices for Southern Europe

Alibaba
In 2018 Alibaba locates in Madrid its main offices

HPE
In 2017 Hewlett Packard Enterprise opened a center focused in technological and innovative solutions (CTC)

The Cube
In 2017, opening of the 1st IoT innovation center in Madrid

Source
1. Elaboración KPMG a partir de webs corporativas y notas de prensa.
Amazon's Tech Hub
Amazon is working to turn the Hub into a center of international innovation.

"Over the last few years we have proven that Spain is an ideal place to innovate. Here we have found professionals with incredible talent. We will increase our investments in Spain and create new jobs."

Terry Hanold, Vice President of Technology at Amazon EU

In July 2016, Amazon opens its software development center in the Region of Madrid for the design of new services and tools.

In Spain, Amazon has also opted to increase investments in its logistics centers such as San Fernando de Henares (Madrid). In addition, they have made a transfer of their corporate offices in Madrid to a space with more than 12 thousand meters available, with a view to duplicating their current staff in the Region of Madrid.
1. Tailor-made teaching and research infrastructures.

2. Quarry of talent that bets on the sector.

3. Mature labor market with available resources.

4. Most competitive labor cost in the European advanced regions.
Talent and competitiveness: Tailored teaching and research infrastructures

Madrid has teaching and research infrastructures that boost talent in the most demanded niches in the sector

The first level training in the academic field ...

16
University centers with more than 12,000 students of key subjects for the sector

3
Business Schools in the world's top 10

20%-25%
of graduates from IESE and IE Business School bet on the ICT sector

6
public excellence campus

1ª
Spanish region for R & D expenditure: € 3,480M

+20
technology centers

4ª
region in the EU-28 with more technological employment

4ª
European city by number of professional developers: 104,102

6º
most active center in blockchain development (109 projects)

3º hub
of AI talent in Europe

and the commitment to research and development ...

they make the Madrid Region a leader

Specialized education in Big Data and Data Analytics

<table>
<thead>
<tr>
<th>Education in Big Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Datahack</td>
</tr>
<tr>
<td>Escuela de Organización Industrial (EOI)</td>
</tr>
<tr>
<td>Universidad Complutense de Madrid</td>
</tr>
<tr>
<td>UNED</td>
</tr>
<tr>
<td>IMF Business School</td>
</tr>
<tr>
<td>Universidad Complutense de Madrid</td>
</tr>
<tr>
<td>Kschool</td>
</tr>
<tr>
<td>Centro Universitario U-Tad</td>
</tr>
<tr>
<td>Instituto de Empresa (IE)</td>
</tr>
<tr>
<td>Madrid School of Marketing</td>
</tr>
<tr>
<td>AFI Escuela de Finanzas</td>
</tr>
<tr>
<td>Universidad Europea de Madrid</td>
</tr>
<tr>
<td>CICE</td>
</tr>
<tr>
<td>Universidad Complutense de Madrid</td>
</tr>
<tr>
<td>Universidad Carlos III de Madrid</td>
</tr>
<tr>
<td>Cámara de Comercio de Madrid</td>
</tr>
<tr>
<td>ITMadrid</td>
</tr>
<tr>
<td>Big Data International Campus</td>
</tr>
<tr>
<td>Universidad Autónoma de Madrid</td>
</tr>
</tbody>
</table>

Each year more than 1,200 graduates graduate from the Madrid Region and MBA graduates opt for the technology sector.

16 Universities:
8 private, 6 public and 2 remote

Number of students 2016-2017

<table>
<thead>
<tr>
<th>University</th>
<th>Master</th>
<th>Doctor's degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maths</td>
<td></td>
<td></td>
</tr>
<tr>
<td>APP y SOFTWARE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DAT BASE</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promedio</td>
<td>21</td>
<td>19</td>
</tr>
<tr>
<td>IE Business School</td>
<td>25</td>
<td>16</td>
</tr>
<tr>
<td>Said Business School (Oxford)</td>
<td>22</td>
<td>23</td>
</tr>
<tr>
<td>London Business School</td>
<td>21</td>
<td>20</td>
</tr>
<tr>
<td>Judge Business School (Cambridge)</td>
<td>20</td>
<td>17</td>
</tr>
<tr>
<td>IESE</td>
<td>20</td>
<td>16</td>
</tr>
<tr>
<td>INSEAD</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>HEC Paris</td>
<td>17</td>
<td>19</td>
</tr>
</tbody>
</table>

3 of the 10 best Business Schools in the world:
IE Business School (3rd), IESE (7th) and ESADE (8th)

% GRADUATES MBA THAT IS INCORPORATED TO THE SECTOR

Spain is the 4th region of the EU-28 with the most technological jobs and one of the most attractive for attracting talent.

The Madrid Region accounts for 43% of technological employment in Spain.

- Madrid: 43%
- Cataluña: 34%
- Andalucía: 17%
- Other CCAA: 6%

70% of the contracts are of indefinite duration.

- Indefinite: 99%
- Temporary: 20%
- Freelance: 7%
- Other: 1%

The Community of Madrid has the IMDEA network for identifying and attracting talent to the Region.

European city for technological emigrants from the EU:

- Support: 3%
- Software architect: 4%
- System administrator: 5%
- Consultant: 11%
- Development analyst: 22%
- Developer: 24%
- Other: 31%

Most demanded profiles by position:

European city for non-EU technological emigrants:

- Developer: 38%
- Development analyst: 20%
- Consultant: 15%
- System administrator: 10%
- Java: 9%
- SQL: 8%
- NET: 6%
- Javascript: 5%
- SAP: 4%
- Other: 38%

Profiles most demanded by technology:

Talent and competitiveness: Mature labor market with available resources

Madrid is the 4th European Region with the most developers, profile most in demand today

Rotation of Workers

51% of companies in the sector have less than 4% staff turnover, 31% are between 4 and 10% and 18.2% above 10%


<table>
<thead>
<tr>
<th>Position</th>
<th>City</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>London</td>
<td>303,594</td>
</tr>
<tr>
<td>02</td>
<td>Paris</td>
<td>181,659</td>
</tr>
<tr>
<td>03</td>
<td>Moscow</td>
<td>144,488</td>
</tr>
<tr>
<td>04</td>
<td>Madrid</td>
<td>104,102</td>
</tr>
<tr>
<td>05</td>
<td>Berlin</td>
<td>93,517</td>
</tr>
<tr>
<td>06</td>
<td>Amsterdam</td>
<td>90,058</td>
</tr>
<tr>
<td>07</td>
<td>Munich</td>
<td>82,877</td>
</tr>
<tr>
<td>08</td>
<td>Warsaw</td>
<td>77,318</td>
</tr>
<tr>
<td>09</td>
<td>Stockholm</td>
<td>62,594</td>
</tr>
<tr>
<td>10</td>
<td>Frankfurt</td>
<td>62,004</td>
</tr>
<tr>
<td>11</td>
<td>Dublin</td>
<td>61,260</td>
</tr>
<tr>
<td>12</td>
<td>Zurich</td>
<td>60,046</td>
</tr>
<tr>
<td>13</td>
<td>Budapest</td>
<td>57,944</td>
</tr>
<tr>
<td>14</td>
<td>Barcelona</td>
<td>57,607</td>
</tr>
<tr>
<td>15</td>
<td>Vienna</td>
<td>56,776</td>
</tr>
<tr>
<td>16</td>
<td>Bucharest</td>
<td>53,758</td>
</tr>
<tr>
<td>17</td>
<td>Milan</td>
<td>52,004</td>
</tr>
<tr>
<td>18</td>
<td>Copenhagen</td>
<td>51,420</td>
</tr>
<tr>
<td>19</td>
<td>Rome</td>
<td>47,051</td>
</tr>
<tr>
<td>20</td>
<td>Hamburg</td>
<td>46,582</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Role</th>
<th>Banda baja</th>
<th>Banda alta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arquitecto software</td>
<td>36.000</td>
<td>40.000</td>
</tr>
<tr>
<td>Java Developer, J2EE</td>
<td>21.500</td>
<td>21.500</td>
</tr>
<tr>
<td>Developer.net</td>
<td>21.000</td>
<td>21.000</td>
</tr>
<tr>
<td>Desarrollo otor</td>
<td>22.500</td>
<td>22.500</td>
</tr>
<tr>
<td>(C, C++, COBOL, PL/SQL)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Front Developer</td>
<td>24.000</td>
<td>24.000</td>
</tr>
<tr>
<td>Desarrollador de apps</td>
<td>24.000</td>
<td>28.000</td>
</tr>
</tbody>
</table>

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### Talent and competitiveness: The most competitive labor cost in the European advanced regions

Labor costs in the Madrid Region are the most competitive of the main European technological hubs.

#### Labor cost in the service sector (€ / hour)

<table>
<thead>
<tr>
<th>Country</th>
<th>Spain</th>
<th>France</th>
<th>UK</th>
<th>Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security IT</td>
<td>51-80</td>
<td>40-70</td>
<td>56-125</td>
<td>45-96</td>
</tr>
<tr>
<td>CIO</td>
<td>80-120</td>
<td>60-120</td>
<td>80-168</td>
<td>130-200</td>
</tr>
<tr>
<td>Big Data architect</td>
<td>55-70</td>
<td>45-70</td>
<td>45-70</td>
<td>50-99</td>
</tr>
<tr>
<td>PMO</td>
<td>50-70</td>
<td>50-70</td>
<td>56-125</td>
<td>45-96</td>
</tr>
<tr>
<td>Software engineer</td>
<td>28-35</td>
<td>28-35</td>
<td>68-91</td>
<td>55-70</td>
</tr>
<tr>
<td>Security IT</td>
<td>40-50</td>
<td>80-85</td>
<td>51-80</td>
<td>55-75</td>
</tr>
<tr>
<td>ERP consultant</td>
<td>35-45</td>
<td>50-60</td>
<td>32-70</td>
<td>45-67</td>
</tr>
<tr>
<td>Web designer</td>
<td>28-35</td>
<td>28-35</td>
<td>23-33</td>
<td>25-43</td>
</tr>
<tr>
<td>Development manager</td>
<td>45-60</td>
<td>70-120</td>
<td>68-114</td>
<td>58-110</td>
</tr>
</tbody>
</table>

Google has opted for the Region for the opening of its fourth Google Campus, first Spanish-speaking, turning Madrid into a Global Entrepreneurship Hub

"The company believes in the innovative movement that is taking place in this country, and above all because there is a large community of innovators in Europe who love Madrid for its climate, the work of its people and its environment."

Mary Groove, director of Google for Entrepreneur.

“There are already more than 1800 people registered, of which 25% are women and more than 100 mentors have signed up. This new space will organize events such as the Campus Exchange -with startups from around the world-, Talks @ Campus."

Sofía Benjumea, Director of Google Campus Madrid
Knowledge and innovation: Where the future is built

1. Knowledge ecosystem.
2. Infrastructures at the forefront of the world.
Knowledge and innovation knowledge ecosystem

Madrid, knowledge ecosystem

1. Madrid International Lab
2. Digital Asset Deployment
3. Campus Madrid
Seedrocket / Techstars
4. Go Madrid
5. Top Seeds Lab
6. innoSmart (madri+d)
7. Startup Alcobendas
8. Prisa HUB
9. HUB Emprende
10. IMEPE
11. AVIE
12. Youth Business Spain
13. Finnovista
14. DARISI
15. Fundación Repsol
16. Sonar Ventures
17. Cink Emprende
18. Tetuan Valley
19. Wayra
20. Conector Startup Accelerator
21. Chamberi Valley
22. Demium Games
23. GSG Business Hub
24. Impact HUB
25. Madrid Startup House
26. UnLtd Spain
27. WeWork
28. MadridTech
29. Tech HUB (Campus Madrid)
30. Explore UC3M
31. StartUp University
32. CK Bank
33. BZWork
34. Berofth
35. Be Work
36. Busining City
37. Colabora Coworking
38. Conecta Lab
39. Cool Inquieto
40. Coworking Mostoles
41. Cowork in Trece Cantos
42. Cowork Pozuelo
43. Coworking Vacaeray
44. Cowup
45. Doolab
46. Ecoworking
47. Ecos Coworking
48. El Patio
49. Espacios Garanics
50. Espacio Ocuplo
51. Espacio Mood(2)
52. Espiritu 23
53. Freeland Innovation Center
54. Gabinete de Historia Natural
55. Garaje
56. Hain4U
57. Izada Coworking
58. Instituto Europeo de Emprendimiento
59. Kleison
60. Konlabore
61. La Cow
62. La Industrial
63. La Manual
64. Lamau
65. La Quinta del Sordo
66. La Terminal
67. L’Espace Almirante 5
68. Pasillo Verde
69. Sa lacteas
70. The Country Cloud
71. The Garden
72. TRD Space
73. Tutandem
74. Union Coworking
75. Utopic US
76. Work & WiFi
77. Workcase
78. Worklab
79. Tecnoalcalá
80. Tecnogetafe
81. L’Espace Almirante 5
82. Pasillo Verde
83. L’Espace Almirante 5
84. Park Universidad Politécnica de Madrid (3)
85. IMDEA (7)
86. Centre de ciberseguridad industrial
87. EY AI Innovation center
88. Fujitsu
89. Airbus
90. Global Sport Innovation Center
91. Innaille
92. The Cube / MOTI
93. La Nave
94. Dev
95. madrid+d
96. Esa BIC
97. Foundation Cote
98. Denver Open Space
99. Asociación Fintech
100. AMETIC
101. HispaRob
102. DEV
103. Fundación Cote
104. Esa BIC
105. BBVA Open Space
106. FIFED
Knowledge and innovation: Infrastructures at the forefront of the world

Madrid is in the top 30 worldwide for technological infrastructure

More than 90% of the population has access to ADSL and 4G networks

In Europe, only 3 countries have a 5G network development plan: Spain, Germany and UK

The first pilot project in Spain will be launched in 2018 in the Madrid Region

In Spain there are 19.2M fiber accesses installed

In Madrid, the 5G Innovation Laboratory of Telefónica and Huawei has carried out concept tests of communications based on 5G-V2X. Ericsson and Orange have also carried out demonstrations

Present

4G

The Madrid Region is a pioneer in the deployment of the 5G Network

Future

5G

Knowledge and innovation: Infrastructures at the forefront of the world

Spain will be a bridge between continents through its submarine communication nodes and is already the national leader by data centers

Submarine communication nodes in development

Facebook & Microsoft: communication through a 6,600km submarine cable going through the Atlantic with Virginia and Bilbao as connecting points

Supported by the Algerian Government, an alternative route to North Africa is foreseen with SEAME-WEE 5 and AAE-1 connecting Europe with Northeast Africa with key points in Valencia and Oran

ELLALINK
Public initiative from Brasil, Portugal and Spain. With the objective of opening emerging markets, with landing points in Brazil, the Canary Islands and Cape Verde before connecting them to the Peninsula.

405.600
Square feet in 23 operational data centers

Source: DCD Media.
Knowledge and innovation: Enabling environment for new technologies

Companies and homes in Madrid are a reference for the early adoption of technology, well above the European average.

### % of companies that use technological solutions

<table>
<thead>
<tr>
<th>Technology Service</th>
<th>Madrid</th>
<th>España</th>
<th>UE 28</th>
</tr>
</thead>
<tbody>
<tr>
<td>With ERP implemented</td>
<td>88</td>
<td>35</td>
<td>36</td>
</tr>
<tr>
<td>Use RFDI in the delivery process</td>
<td>17</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Use 2 or more social media</td>
<td>24</td>
<td>20</td>
<td>21</td>
</tr>
<tr>
<td>Execute electronical invoices</td>
<td>35</td>
<td>25</td>
<td>18</td>
</tr>
<tr>
<td>Use cloud computing services</td>
<td>31</td>
<td>13</td>
<td>14</td>
</tr>
</tbody>
</table>

**Madrid companies stand out in terms of the use of most technological services, especially in terms of the implementation of an ERP.**

### % of citizens who use technological solutions

**Spain is a leader in the deployment of fiber to the home (FTTH) in Europe and Latin America. There are more fiber customers to the home in Spain (18 million) than in Germany, the United Kingdom, France and Italy combined.**

<table>
<thead>
<tr>
<th>Technology Service</th>
<th>Madrid</th>
<th>España</th>
<th>UE 28</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use Internet to play or download content</td>
<td>75</td>
<td>83</td>
<td>78</td>
</tr>
<tr>
<td>Subscribed to streaming services</td>
<td>83</td>
<td>27</td>
<td>21</td>
</tr>
<tr>
<td>Use Internet to access online banking</td>
<td>61</td>
<td>54</td>
<td>59</td>
</tr>
<tr>
<td>Use Internet to order goods and services</td>
<td>81</td>
<td>54</td>
<td>66</td>
</tr>
<tr>
<td>Use Internet to interact with Public Sector</td>
<td>45</td>
<td>40</td>
<td>34</td>
</tr>
</tbody>
</table>

Knowledge and innovation: Global networking center

Madrid added more than 65,500 attendees to ICT events organized by Meetup, ranking as the 6th European Region with more attendees.

Top 10 cities by number of attendees at ICT events

<table>
<thead>
<tr>
<th>City</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Madrid</td>
<td>334,369</td>
<td>267,536</td>
<td>98,705</td>
</tr>
<tr>
<td>London</td>
<td>267,536</td>
<td>219,825</td>
<td>162,824</td>
</tr>
<tr>
<td>Berlin</td>
<td>219,825</td>
<td>162,824</td>
<td>148,709</td>
</tr>
<tr>
<td>Paris</td>
<td>148,709</td>
<td>111,043</td>
<td>85,725</td>
</tr>
<tr>
<td>Amsterdam</td>
<td>111,043</td>
<td>85,725</td>
<td>56,739</td>
</tr>
<tr>
<td>Munich</td>
<td>85,725</td>
<td>56,739</td>
<td>40,151</td>
</tr>
<tr>
<td>Varsovia</td>
<td>56,739</td>
<td>40,151</td>
<td>25,595</td>
</tr>
<tr>
<td>Dublin</td>
<td>40,151</td>
<td>25,595</td>
<td>19,132</td>
</tr>
<tr>
<td>Barcelona</td>
<td>25,595</td>
<td>19,132</td>
<td>16.550</td>
</tr>
<tr>
<td>Hamburg</td>
<td>19,132</td>
<td>16.550</td>
<td>12.870</td>
</tr>
</tbody>
</table>

The Region of Madrid hosts important events

<table>
<thead>
<tr>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salón Internacional de Seguridad (SICUR)</td>
<td>20 – 23 February</td>
<td>World ATM Congress</td>
<td>6 – 8 March</td>
</tr>
<tr>
<td>+ 600 companies participate in the international security event</td>
<td>+ 8,000 Participants and attracting More than 130 countries in the Aerospace sector</td>
<td>AULA</td>
<td>March*</td>
</tr>
<tr>
<td>South Summit</td>
<td>5 – 5 October</td>
<td>Smart Money</td>
<td>September*</td>
</tr>
<tr>
<td>Major event in the startup ecosystem</td>
<td>Reference event among investors and entrepreneurs</td>
<td>More than 400 assistants to the last edition</td>
<td></td>
</tr>
<tr>
<td>More than 12,500 attendees</td>
<td>Meeting between startups, innovators, and VC</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital Business World Congress</td>
<td>22 – 24 May</td>
<td>Leading event in digital transformation</td>
<td>+18,000 assistants; +180 companies</td>
</tr>
<tr>
<td>+ 230 speakers</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
</tr>
</thead>
<tbody>
<tr>
<td>E Show</td>
<td>26 – 27 September</td>
<td>Global Startup Weekend</td>
<td>November *</td>
</tr>
<tr>
<td>Major ecommerce and digital marketing event in Spain</td>
<td>54H to create a startup</td>
<td>With mentorship and worldwide sponsors</td>
<td></td>
</tr>
<tr>
<td>+8,000 assistants</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>November</th>
<th>December</th>
</tr>
</thead>
<tbody>
<tr>
<td>Big Data Spain</td>
<td>Madrid Mobile Summit</td>
</tr>
<tr>
<td>November</td>
<td>November</td>
</tr>
<tr>
<td>1 of the 3 major European conferences</td>
<td>Event hosting innovators and TIC companies</td>
</tr>
<tr>
<td>About Big Data, AI and Cloud</td>
<td>Event presenting</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>*Indicative dates based on previous dates</th>
<th></th>
</tr>
</thead>
</table>

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1. A source of financing for every need.
2. Talent financing.
3. Success stories.
4. Tax system.
5. Tax support for innovation.
6. Key contacts.
Smart Capital: A source of financing for every need

In the Region of Madrid there is an important credit offer, investor appetite and a strong public support available to the investor

**FINANCIAL INSTITUTIONS**

In Spain, there are 62 national banks, 2 savings banks and 22 foreign banks.

**CROWDFUNDING**

48 platforms in Spain. Spain is among the 6 countries with the highest fundraising in Europe. 2016: 113.6M € (+116.09% regarding 2015).

**PUBLIC FUNDS**

42% of national investments were made by public funds. €41M invested in startups. Available in all phases through the ICO.

**PRIVATE EQUITY & VENTURE CAPITAL**

More than 390 funded startups. Madrid main receiver of PE with 33%. 1st round VC investments in 230 startups for €309MM. In 2016, more than €2,270M (+48.5%) were raised. Corporate investment in 2016 of €256.3m.

**BUSINESS ANGELS**

More than 10 networks. 1 out of 3 invests in technology. National (68%) and international (32%).

**SOVEREIGN FUNDS**

More than 90 funds with investments over $7bn in Spain in different sectors. €28.3 million invested in Spanish assets from different sectors.

In 2016 the funds available to invest increased their investments to 41%, reaching €4,150 millions.
Funds with more capital and more opportunities

Players increase in the “mid-market” (€100-500M) with big amounts of capital non-deployed:
- PE mid-cap goals: 1 operation / year
- Growing national teams as well as increased interest of international funds in the Spanish market

Mature market, especially in the small-cap segment:
- This growth is observed due to the professionalization of the sector

- The Spanish market is increasing its interest in mid-cap investors
- With new entrants and more smart capital seeking for opportunities, the market will continue to grow and become more professional

Source: elaboration through data from KPMG
Smart Capital: Talent financing

National and international funds have grown by volume and number of operations in 2016 and Spain has been consolidated as one of the most attractive markets for the Venture Capital

Volume and number of VC operations (€M)

- **Capital Invested**
- **Nº of companies/operations**
- **Average capital invested per round**

Source: StartupExplore, CrunchBase, Dealroom, Pitchbook K-Fund, Atomico. El Referente. Ascri

2012 - 2013 non available

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Smart Capital: Talent financing

The companies of the Region of Madrid, 32.9% of Spain, are those that receive the highest volume of investment.

Private Equity investment by sector in 2016

- Leisure and restoration: 25.7%
- ICT: 41.5%
- Consumer products: 10.6%
- Medicine and chemistry: 11.2%
- Energy: 8.0%
- Prod. And industrial services of projects: 8.0%
- Finance: 7.8%
- Biotechnology: 7.5%
- Construction: 6.5%
- Other: 7.5%
- Other: 6.4%
- Other: 7.0%
- Other: 4.9%
- Other: 4.8%
- Other: 17%
- Other: 12%
- Other: 12%
- Other: 4%
- Other: 6%
- Other: 8%
- Other: 12%
- Other: 32.9%

Source: Elaboración propio a través de ASCRI

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Smart Capital: Talent financing.

Besides the increase of investment by volume and number of operations, new types of investors are appearing.

% Invested capital according to the type of investor

Source: StartupExplore, ElReferente, CrunchBase, Dealroom, Pitchbook K-Fund, Atomico.
The volume increase is due to the maturity and solvency that is acquiring the Spanish market.

Financing rounds exceeding 10 million Euros

<table>
<thead>
<tr>
<th>Year</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>privaula, digitalOrigin, foon, netTV, Whisbi</td>
</tr>
<tr>
<td>2014</td>
<td>Scytl, letgo, AlienVault, quay, Wavvepop</td>
</tr>
<tr>
<td>2015</td>
<td>Olapic, kantox, Typeform, beabloo, Canto, jobandtalent</td>
</tr>
<tr>
<td>2016</td>
<td>cabify, 4iQ, hawkers, ABA, Splio, jobandtalent, inbenta</td>
</tr>
<tr>
<td>2017</td>
<td>Scytl, cabify, cornerjob, letgo, logtrust, Typeform, Glovo, TIQD, FINANCE, Medlumics, Brain, Infantech, fintonic, Verse</td>
</tr>
</tbody>
</table>

Source: Elaboración propia con datos de StartupExplore, ElReferente, CrunchBase, Dealroom, Pitchbook K-Fund, Atomico.
Smart Capital: Success stories

The exits, each year of greater volume, are a good example of the talent bet done by the Region of Madrid

Main Exits

Source: Elaboración propia con datos de StartupExplore, EiReferente, CrunchBase, Dealroom, Pitchbook K-Fund, Atomico.
The Region of Madrid fiscal system is very competitive compared to other advanced regions.

Comparative tax charges for European markets

Source: KPMG Tax Rates Online.
### Taxes on capital

**Direct taxes to non-resident companies:**
- Capital gains from the sale of shares in resident companies: 19% (exempt if derived from EU residents and countries with which a double taxation agreement has been signed)
- Capital gains from the sale of real estate: 19%

**Direct taxes to resident companies:**
- Yes, as part of the benefit

### Taxes for expatriates

**Individual residents:**
- Residence: based on a 183-day test
- Taxable income: worldwide
- Tax rates:
  - General income: progressive: 45% when above € 60,000
  - General income: progressive: 23% when above € 50,000
- Social security:
  - Employer: general risks: 23,6%; unemployment insurance: 5.5%; wage guarantee fund: 0.2%; professional education: 0.6%
  - Employee: general risks: 4.7%; unemployment insurance: 1.55%; professional education: 0.1%
  - Self-employed worker: 29.8%

### Taxes for non-residents

**Non Individual residents:**
- Tax rates: business and employment income: 24%; 19% for EEE residents (as well as Iceland and Norway)
- Capital gains from the sale of shares in resident companies: 19%
- Capital gains from the sale of real estate: 19%
- Tax withholding rates:
  - Income by employment: 24%
  - Dividends: 19%
  - Interest: 19%, 0% if paid to EU residents
  - Royalties: 24% (19% in 2016 for residents of the EEE)
  - Fees (technical): 24% (19% in 2016 for residents of the EEE)
  - Fees (directors): 24% (19% in 2016 for residents of the EEE)

**Capital gains from the sale of shares in resident companies:**
- 19% (exempt if derived from EU residents and countries with which a double taxation agreement has been signed)

**Capital gains from the sale of real estate:**
- 19%
### Smart Capital: Tax system

**IRPF in Spain and in the Region of Madrid**

The **Personal Income Tax** (I.R.P.F.) is a state tax that taxes the **income obtained** by natural persons who during the calendar year had, in general, their habitual **residence in Spain**, taking into account their **personal and family circumstances**. The management, liquidation, inspection, collection and review of acts in the process of management of the I.R.P.F. corresponds to the State. However, the **Region of Madrid** may assume regulatory powers over:

| a) The amount of the personal and family minimum applicable for the calculation of the regional tax. |
| b) The regional scale applicable to the general payable base. |
| c) **Deductions for:**  
  - Personal and family circumstances  
  - Non-business investments  
  - Rental application  
  Provided that they do not entail a reduction of the effective encumbrance of some income categories.  
  - Subsidies and public subsidies not exempt that are received from the CCCA, with the exception of those that affect the development of the economic activities or the incomes that are integrated into the savings base. |
| d) **Increases or decreases in the percentages of deduction for investment in habitual residence.** |

Smart Capital: Tax support for innovation

Spain is a pioneer in the application of a “patent box”

**Technological intangibles**
- Patents
- Formulas
- Blueprints
- Designs
- R & D
- Pharmaceutical dossier (excluding computer programs)

**Terms**
- Originator of the intangible at least 25%
- Assignee uses the rights for an economic activity
- Assignee does not reside in territory of no taxation
- Differentiate the cession of the use of the provision of accessory services
- Have accounting records to determine income and expenses

**Non-technological intangibles**
- Know-how
- Commercial experience
- Industrial experience
- Scientific experience (excluding brands, literary, artistic, cinematographic films, image rights)

**Reduction of the Taxable Base in 60% of the Income from the Assignment**

Source: Artículo 23 de la LIS 27/2014
Investigation and development
- 25% of the average of expenses of the previous 2 years
- 42% of the excess over the average
- 17% additional for personnel dedicated exclusively to R & D
- 8% additional for investments affected to R & D

Terms
- Personal expenses
- Collaborations with third parties
- Costs of raw materials, consumables or consumables
- Amortization of fixed assets
- Other expenses directly related to the project

Technological innovation
- Know-how
- 12% of the expenses related to the project
- Includes projects related to animation and videogames

R&D REDUCTIONS

Madrid has a wide range of financing alternatives

Public Funds

**CDTI**
National aid for SMEs and large companies, programs and funds focused on the ICT sector, such as Innvierte
www.cdti.es

**ENISA**
National help for innovators
www.enisa.es

**RED.ES**
Momentum and digital transformation programs
www.red.es

**COFIDES**
Investment programs in the ICT sector
www.cofides.es

**ICEX**
Funding programs for internationalization
www.icex.es

**AVALMADRID**
Financing lines for entrepreneurship and technology
www.avalmadrid.es

**AYUNTAMIENTO DE MADRID**
Aid to improve Madrid business network
www.madrid.es

**MINISTERIO DE HACIENDA Y ADMINISTRACIONES PÚBLICAS**
Fiscal deductions and ICT funding programs
www.minhafp.gob.es

Private Equity / Venture Capital

**ASCRI** (Asociación Española de Capital, Crecimiento e Inversión)
Non-profit organization that represents the private capital industry (PE & VC) in Spain.
www.ascri.org

Business Angels

**PAEBAN** (Asociación de redes de Business Angels de España)
Association dedicated to promote the activity of the Business Angels in the Spanish territory.
At present, AEBAN groups 38 Business Angels networks distributed in 11 Autonomous Communities. These networks have nearly 2,000 investors who in the last year mobilized resources worth 40 million €.
www.aeban.es
The Region of Madrid: Where the days are longer
Region of Madrid: Where days are longer
In Madrid, more than 2,760 hours of sun per year

1st

By its cultural offer
There are more than 100 museums, among them Reina Sofia, Thyssen and Prado Museums

By its commerce
The second favorite city to go shopping

By its gastronomy
Madrid Fusión positions Madrid as the capital of gastronomy

By its healthcare
There are 86 public and private hospitals that confirm the quality of the health service

By its location
Madrid city center is 150KM away from the mountains (Sierra de Guadarrama)

By its diversity
In the Region of Madrid there are more than 100 different cultures
Region of Madrid: Where days are longer
Express Visa available to investors

Who has facilities to settle in Spain?
- Investors
- Entrepreneurs
- Highly qualified professionals
- Scientists and researchers
- Employees of multinationals

How is the process?
There is only one permit to reside and work in Spain
The family of the interested person has the possibility to apply for the visa at the same time

General requirements
- Not be in an illegal situation
- > 18 years old
- No record
- Have health insurance
- Have economic resources

Source: ICEX
Invest in Madrid: Where everything is possible
To serve investors

New investors

Strategic approach
Identification and access to information for the business
Advice on applicable incentives and grants
Location advice for the establishment
Legal and intellectual property advice
Information on administrative processes

Project settlement
Search of offices and industrial spaces
Establishment of a business in Madrid and Spain
Guidance and advice on aspects such as visa, housing, contracting services and taxation

Assistance w/ Public Admin
Connection with industrial, regulatory, planning and financing institutions with AAPP
Advice on tax and real estate solutions
Accompaniment and guidance regarding the private sector

Established investors

Strategic approach
Contact with Government about policies
Information and advice on the regulatory framework and legislative changes
Network of contacts to take advantage of business opportunities

Operational approach
Support in the dialogue with the AAPP
Access to the best available resources (human capital, infrastructure, etc.)
Information on incentives and grants
Periodic correspondence
Invest in Madrid: Where everything is possible
To serve investors

ADVICE
PRELIMINARY STUDY
Investor search (co-investment and / or secondary operations)
Advice in consulting services companies

ACCELERATION
IMPLEMENTATION
Agreement according to investment strategy
Goal pre-selection to guarantee viability and business potential

ASSISTANCE
STRAATEGIC APPROACH
Provides necessary information for the business: economy, financing networks, business network, events, taxation and regulation

OPERATIONAL APPROACH
AFTERCARE
Advice and support in the implementation of the business
Help in operational terms, infrastructure and labor

OPERATING FLOW
INVESTORS AND ADVISORS
Agency and support in the implementation of the business

AGENCY AND MEETING SPACES
INFORMATION
Stakeholders contact
Meeting spaces at Invest in Madrid offices

SETTLEMENT
Invest in Madrid: Where everything is possible
To serve investors

Investors and Advisors
Agency and Meeting Spaces
Information
Settlement

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Invest in your new home