If you have...

Interest in positioning your company in the European and/or Latin American 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 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).
Welcome to the Region of Madrid, your new home

Videogames
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.
Business network: Main magnitudes of the ICT sector

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

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

69.3% of the ICT business volume in Spain

Startups

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)

More than 50% of the Spanish population are gamers and the turnover of the sector is growing exponentially with Madrid in the lead.

- 23.9 million gamers: In Spain, 52% of the population plays videogames.
- 10.410 professionals related: 35% of the total professionals are located in Madrid.
- 450 companies: Active in Spain in 2017, 12.5% more than in 2015.
- Madrid = 42%: Of the total income of the sector.

Spain is the 4th power in Europe in the videogame sector, after Germany, the United Kingdom and France, and the 9th worldwide.

Augmented Reality and Virtual Reality is at the heart of the gaming development

TRENDS ADOPTED BY COMPANIES (% empresas)

- **Virtual Reality**: 64% (Forecast), 28% (In Development)
- **Wearables**: 14% (Forecast), 9% (In Development)
- **Cloud Gaming**: 19% (Forecast), 9% (In Development)
- **eSPORTS**: 23% (Forecast), 15% (In Development)

Source: Elaboración propia a partir de datos del Libro Blanco del desarrollo español de videojuegos 2016.

28% of companies in the sector is developing technologies related to Virtual Reality (VR) and Augmented Reality (RA).
Business network: Business agents of reference

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

MAIN COMPANIES BY BILLING VOLUME

- Telefónica
- orange
- amadeus
- indra
- SAMSUNG
- IBM
- MásMóvil
- accenture
- esprit

€ 68,428M of turnover in 2015

MAIN MULTINATIONALS IMPLANTED

(54% of the worldwide market)

- Google
- EA
- Koch Media
- Activision
- Microsoft
- Nintendo
- Bandai Namco
- Games

1st by number of multinationals in Spain

INCIPIENT STARTUPS ECOSYSTEM

(41% of the companies < 5 years)

- Koron Studios
- Inter Games
- bitoon
- Backfire Team
- Pyralite
- Koth Studio
- Badland

26.7% of the companies are in Madrid

The growing demand of the strategic sectors of the Region has an important driving effect on the technological 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.

Source: 1. KPMG with data from the National Institute of Statistics (INE)
Business network: Last investments received

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

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

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

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.
Talent and competitiveness: Where talent is cared for and empowered

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

**and the commitment to research and development ...**

- **6** public excellence campus
- **1** Spanish region for R & D expenditure: €3,480M
- **+20** technology centers

**they make the Madrid Region a leader**

- **4** region in the EU-28 with more technological employment
- **4** European city by number of professional developers: 104,102
- **6** most active center in blockchain development (109 projects)
- **3** hub of AI talent in Europe

Talent and competitiveness: Quarry of talent that bets on the sector

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>8065</td>
<td>961</td>
<td>508</td>
</tr>
<tr>
<td>1171</td>
<td>139</td>
<td>120</td>
</tr>
<tr>
<td>2115</td>
<td>389</td>
<td>68</td>
</tr>
</tbody>
</table>

COMPUTING | MATHS | APP y SOFTWARE | DAT BASE

% GRADUATES MBA THAT IS INCORPORATED TO THE SECTOR


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The Region of Madrid hosts 35% of the national education centers.

Evolution of the number of enrolled in Official Degree in Video Game Design and Development and interannual variation rate (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number Enrolled</th>
<th>Variation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012/2013</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>2013/2014</td>
<td>123</td>
<td>105%</td>
</tr>
<tr>
<td>2014/2015</td>
<td>270</td>
<td>120%</td>
</tr>
<tr>
<td>2015/2016</td>
<td>669</td>
<td>148%</td>
</tr>
<tr>
<td>2016/2017</td>
<td>1019</td>
<td>52%</td>
</tr>
</tbody>
</table>


Education offer in Madrid

- Arteneo
- Aula Temática
- CEV, Escuela Superior de Comunicación, Imagen y Sonido
- CI CE, Escuela Profesional de Nuevas Tecnologías
- ESNE, Estudios Superiores Internacionales. Centro Adscrito a la Universidad Camilo José Cela
- Gar metopia
- Lightbox Academy
- Text and Line
- Trazos
- Universidad Complutense de Madrid

- Universidad Europea de Madrid
- Universidad Francisco de Vitoria
- Universidad Politécnica de Madrid
- Universidad Rey Juan Carlos
- UTAD, Centro Universitario de Tecnología y Arte Digital. Centro Adscrito a la Universidad Camilo José Cela
- Universidad de Alcalá de Henares
- Voxel School, centro adscrito a la Universidad Complutense de Madrid
Talent and competitiveness: Quarry of talent that bets on the sector

The Region of Madrid concentrates the largest training offer in the sector in Spain, both in centers and programs.

### Programs by Comunidad Autónoma (nº)

<table>
<thead>
<tr>
<th>Type</th>
<th>Region of Madrid</th>
<th>Cataluña</th>
<th>Comunidad Valenciana</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Courses</td>
<td>29</td>
<td>13</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>CFGS</td>
<td>17</td>
<td>13</td>
<td>8</td>
<td>22</td>
</tr>
<tr>
<td>Universitary master</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Master</td>
<td>21</td>
<td>8</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Official degree</td>
<td>5</td>
<td>7</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Degree</td>
<td>6</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

### Centers by Comunidad Autónoma (nº)

<table>
<thead>
<tr>
<th>Type</th>
<th>Region of Madrid</th>
<th>Cataluña</th>
<th>Comunidad Valenciana</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Universities</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Private Universities</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Schools</td>
<td>4</td>
<td>8</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Attached</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>0</td>
</tr>
</tbody>
</table>

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: 9%
- Other: 70%

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

- European city for technological emigrants from the EU

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

European city for non-EU technological emigrants.

Profiles most demanded by technology:
- SAP: 8%
- SQL: 9%
- .NET: 10%
- Javascript: 15%
- Java: 20%
- Otros: 38%

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

Talent and competitiveness: Mature labor market with available resources

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>No.</th>
<th>City</th>
<th>Total 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>Madrid Banda baja</th>
<th>Madrid Banda alta</th>
<th>Barcelona Banda baja</th>
<th>Barcelona Banda alta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arquitecto software</td>
<td>36.000</td>
<td>63.500</td>
<td>40.000</td>
<td>63.500</td>
</tr>
<tr>
<td>Java Developer, J2EE</td>
<td>21.500</td>
<td>36.000</td>
<td>21.500</td>
<td>36.000</td>
</tr>
<tr>
<td>Developer.net</td>
<td>21.000</td>
<td>36.000</td>
<td>21.000</td>
<td>36.000</td>
</tr>
<tr>
<td>Desarrolloador otros (C, C++, COBOL, PL/SQL)</td>
<td>22.500</td>
<td>40.000</td>
<td>22.500</td>
<td>40.000</td>
</tr>
<tr>
<td>Front Developer</td>
<td>24.000</td>
<td>36.000</td>
<td>24.000</td>
<td>36.000</td>
</tr>
<tr>
<td>Desarrollador de apps</td>
<td>24.000</td>
<td>36.000</td>
<td>28.000</td>
<td>40.000</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)

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.
Microsoft has opted for the Region of Madrid for the implementation of its Global Sports Innovation Center from where the entire ecosystem of eSports develops internationally.

“With an initial investment of €17 million, it aims to incubate 50 start-ups and support over 200 in 5 years.”

Microsoft Press Release

“Located in Barclaycard Center, at the heart of Madrid Global Sports Innovation Center is a pioneer in Europe.”

Microsoft Press Release
Knowledge and innovation: Where the future is built

1. Knowledge ecosystem.
2. Infrastructures at the forefront of the world.
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 Spain, there are 19.2M fiber accesses installed

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 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

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

**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**

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

- **ORVAL**
  - 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: Infrastructures at the forefront of the world

Madrid presents the perfect scenario of eSports development

In Madrid there are different channels in which you can access to eSports. There are also bars where you can access eSPORTS such as Meltdown bar, Pixel Bar, GG WP Bar.

In Spain 15% of companies are publishers

In 2011, the Division of Honor was born, today it is called the Superliga Orange. Other leagues such as Wizink also operate.

In Madrid, there are exclusive events for eSports such as Madrid Gaming Experience and Gamergy. More than 580K viewers for the eSports events.

Sports clubs have been professionalized in the recent years and are increasing their weight and their international presence.

Orange, Vodafone y Movistar three big telecomms operating in the country have entered this market.

Source: Elaboración propia a partir de datos del Libro Blanco del desarrollo español de videojuegos 2016.
Knowledge and innovation: Infrastructures at the forefront of the world

The eSports are experimenting an important implantation due to the Spanish society acceptance.

### Channels more used to the retransmission of the eSports

<table>
<thead>
<tr>
<th>Channel</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet</td>
<td>99%</td>
</tr>
<tr>
<td>Television</td>
<td>46.85%</td>
</tr>
<tr>
<td>Streaming</td>
<td>36.68%</td>
</tr>
<tr>
<td>Radio</td>
<td>22.26%</td>
</tr>
<tr>
<td>Press</td>
<td>22.13%</td>
</tr>
</tbody>
</table>

### Main brands in Spain

- 76.19% are endemic brands to the sector.
- **movistar**
- **orange**
- **Vodafone**

### Main eSports teams in Spain

- **ARMY**
- **E Unicorns**
- **KIVF**
- **GUARDIANS**
- **HERETICS**
- **XOTENCE**
- **LIONS**
- **PENGUIN**
- **KPI**
- **GIANTS**
- **RIDERS**
- **BB**

### Main leagues in Spain

- **Superliga**
- **ESL Masters Spain**
- **Universally**
- **ATGX**

Source: Elaboración propia a partir de datos del Libro Blanco del desarrollo español de videojuegos 2017. MKTG Inside esports. Infografía ESL
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>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>54</td>
<td>24</td>
<td>20</td>
</tr>
<tr>
<td>Execute electrornical 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

<table>
<thead>
<tr>
<th>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 deliveries</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>

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.

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


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The Region of Madrid hosts important events

Knowledge and innovation: Global networking center

Startup Europe Week
5 – 9 March
+ 200 European cities celebrate this event
At the same time to Foster innovative ideas

<table>
<thead>
<tr>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
</tr>
</thead>
<tbody>
<tr>
<td>AI Show</td>
<td>South Summit</td>
<td>AULA</td>
<td>BIT Audiovisual</td>
</tr>
<tr>
<td>October*</td>
<td>October – 5 October</td>
<td>March*</td>
<td>Audiovisual – 10 May</td>
</tr>
<tr>
<td>First conference in AI applications</td>
<td>Major event in the startup ecosystem</td>
<td>Reference event in the education sector</td>
<td>Major app and gaming event</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>October</th>
<th>September</th>
<th>June</th>
<th>May</th>
</tr>
</thead>
<tbody>
<tr>
<td>Madrid Gaming Experience</td>
<td>Smart Money</td>
<td>Talent Summit</td>
<td>Digital Business World Congress</td>
</tr>
<tr>
<td>October*</td>
<td>September*</td>
<td>September*</td>
<td>22 – 24 May</td>
</tr>
<tr>
<td>Videogaming and digital entertainment fair</td>
<td>Reference event among investors and entrepreneurs</td>
<td>Robotics in talent management</td>
<td>Leading event in digital transformation</td>
</tr>
<tr>
<td>With more than 190 stands</td>
<td></td>
<td></td>
<td>+18.000 assistants, +180 companies</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>230 speakers</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>November</th>
<th>December</th>
</tr>
</thead>
<tbody>
<tr>
<td>Artificial expo</td>
<td>Gamergy</td>
</tr>
<tr>
<td>November**</td>
<td>December</td>
</tr>
<tr>
<td>AI fair in Europe</td>
<td>About videogames and eSports</td>
</tr>
<tr>
<td></td>
<td>More than 320.000 followers online</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>October</th>
<th>November</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Startup Weekend</td>
<td>Impulsando tu Empresa</td>
</tr>
<tr>
<td>November*</td>
<td>22 November</td>
</tr>
<tr>
<td>54H to create a startup</td>
<td>Organized in 12 Spanish cities</td>
</tr>
<tr>
<td>With mentorship and worldwide sponsors</td>
<td></td>
</tr>
</tbody>
</table>

*Indicative dates based on previous dates

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

**Smart Capital: A source of financing for every need**

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

48 platforms in Spain. Spain is among the 6 countries with the highest fundraising in Europe. 2016: 113,6M € (+116,09% regarding 2015).

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

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

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.

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

**Source:** Informe de actividad de Venture Capital y Private Equity (ASCR). Informe Fondos soberanos España 2015 (KPMG). AEBAN. Inversión en Startups en España 2106 (CaixaBank y ASCRI). Financiación participativa (Crowdfunding) en España (Informe Anual 2016).
Smart Capital: Talent financing

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)

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital Invested</th>
<th>N° of companies/operations</th>
<th>Average capital invested per round *</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>199</td>
<td>345</td>
<td>199</td>
</tr>
<tr>
<td>2013</td>
<td>193</td>
<td>360</td>
<td>193</td>
</tr>
<tr>
<td>2014</td>
<td>288</td>
<td>350</td>
<td>288</td>
</tr>
<tr>
<td>2015</td>
<td>536</td>
<td>470</td>
<td>536</td>
</tr>
<tr>
<td>2016</td>
<td>403</td>
<td>469</td>
<td>403</td>
</tr>
<tr>
<td>2017</td>
<td>1,096</td>
<td>389</td>
<td>1,096</td>
</tr>
</tbody>
</table>

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

2012-2013 non available *
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

<table>
<thead>
<tr>
<th>Industry</th>
<th>% of Capital Invested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leisure and restoration</td>
<td>25.7%</td>
</tr>
<tr>
<td>ICT</td>
<td>41.5%</td>
</tr>
<tr>
<td>ICT main operations</td>
<td></td>
</tr>
<tr>
<td>Mobile</td>
<td>6%</td>
</tr>
<tr>
<td>eCommerce</td>
<td>8%</td>
</tr>
<tr>
<td>Fintech</td>
<td>4%</td>
</tr>
<tr>
<td>Social</td>
<td>12%</td>
</tr>
<tr>
<td>Enterprise</td>
<td>4%</td>
</tr>
<tr>
<td>Health &amp; Science</td>
<td>17%</td>
</tr>
<tr>
<td>Others</td>
<td>49%</td>
</tr>
<tr>
<td>ICT main operations</td>
<td></td>
</tr>
<tr>
<td>Mobile</td>
<td>4%</td>
</tr>
<tr>
<td>eCommerce</td>
<td>8%</td>
</tr>
<tr>
<td>Fintech</td>
<td>4%</td>
</tr>
<tr>
<td>Social</td>
<td>11%</td>
</tr>
<tr>
<td>Enterprise</td>
<td>4%</td>
</tr>
<tr>
<td>Health &amp; Science</td>
<td>17%</td>
</tr>
<tr>
<td>Others</td>
<td>49%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Angel</th>
<th>Seed</th>
<th>Early Stage VC</th>
<th>Later stage VC</th>
<th>Remaining investor types</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>10,30%</td>
<td>25,80%</td>
<td>59,30%</td>
<td>1,60%</td>
<td>Pre/Accelerator/Incubator</td>
</tr>
<tr>
<td>2016</td>
<td>16,70%</td>
<td>28,80%</td>
<td>49,90%</td>
<td>1,20%</td>
<td>Grants</td>
</tr>
<tr>
<td>2015</td>
<td>3,70%</td>
<td>41,60%</td>
<td>45,80%</td>
<td>5,50%</td>
<td>Corporate</td>
</tr>
<tr>
<td>2014</td>
<td>4,60%</td>
<td>33%</td>
<td>52%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: StartupExplore, ElReferente, CrunchBase, Dealroom, Pitchbook K-Fund, Atomico.
Smart Capital: Success stories

The volume increase is due to the maturity and solvency that is acquiring the Spanish market.

Financing rounds exceeding 10 million Euros

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, ElReferente, CrunchBase, Dealroom, Pitchbook K-Fund, Atomico.
Smart Capital: Tax system

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.
**Smart Capital: Tax system**

**General tax in Spain**

### 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)

Source: IBFD Tax Research Platform. Hacienda Doble Imposición
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:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a) The amount of the personal and family minimum applicable for the calculation of the regional tax.</td>
<td>b) The regional scale applicable to the general payable base.</td>
<td>c) Deductions for:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Personal and family circumstances</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Non-business investments</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Rental application</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Provided that they do not entail a reduction of the effective encumbrance of some income categories.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 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.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>d) Increases or decreases in the percentages of deduction for investment in habitual residence.</td>
</tr>
</tbody>
</table>

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
Spain occupies the 15th position worldwide by investment in R & D & I

**Smart Capital: Tax support for innovation**

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**

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
In Madrid, more than 2,760 hours of sun per year

**Region of Madrid: Where days are longer**

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

2. **By its commerce**
   The second favorite city to go shopping.

3. **By its gastronomy**
   Madrid Fusión positions Madrid as the capital of gastronomy.

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

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

6. **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

Visa
Authorizations
Residence permit

10 days
20 days
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

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To serve investors

**ADVICE**
- Preliminary study
- Acceleration
- Assistance
- Strategic approach
- Operational approach
- Aftercare

**OPERATING FLOW**
- Investor search (co-investment and / or secondary operations)
- Advice in consulting services companies

**INVESTORS AND ADVISORS**
- Agreement according to investment strategy
- Goal pre-selection to guarantee viability and business potential

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

**INFORMATION**
- Provides necessary information for the business: economy, financing networks, business network, events, taxation and regulation

**SETTLEMENT**
- Advice and support in the implementation of the business
- Help in operational terms, infrastructure and labor

Invest in Madrid: Where everything is possible
To serve investors