



# **STATE OF IT INVESTMENT IN SPAIN**

October 2016

**Venture Watch Research**

Madrid, October 2016

<http://venture.watch>

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## Preface

PRESS42.COM TEAM

Venture Watch Research is a joint venture between Press42 and Brandexit. Our goal is to keep regular tabs on venture activity in countries across Europe and to facilitate investment in local ecosystems.

Currently, we're focused on the Spanish IT ecosystem. The VC ecosystem in this region is expanding rapidly and many European investors are looking to Southern Europe for new deals.

We focus on nearly all types of IT deals but generally exclude the Biotechnology (Biotech), Green technology (Greentech), Nanotechnology (Nanotech), Pharmaceutical innovation (Pharma) and industrial technology sectors. We may add them in the future, but for now we've decided to stay focused on tech deals that are traditionally harder to track.

## Methodology

These reports are generated with an automated tracking system developed by Press42. We currently only track published IT deals in Spain.

The data in the report should be taken as an approximation. In some cases, deals are not made public and are not published, so our tracker can't catch them. In other cases, the round is known but the total investment hasn't been released, so we'll count the operation, but we can't compute the total investment.

We're continually revising the data and we're open to input on any rounds we've missed or other information that's relevant. The numbers are always true to the best of our knowledge, but the statistics may vary if we've updated old deals or added new ones. Found something we've missed? Drop us a note at **team@venture.watch**

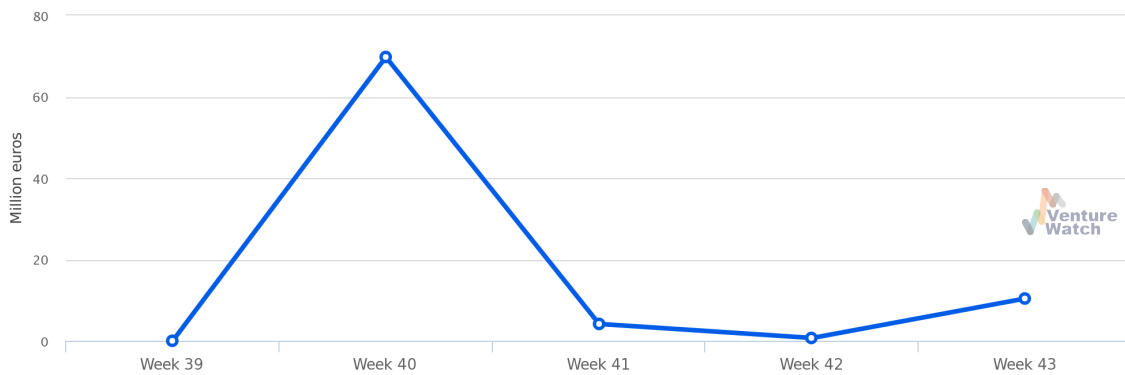
Once again, keep in mind that the data is always evolving. Thus, the ballpark figure will be reliable but there may be discrepancies on a granular level. Please use at your own risk.

## October 2016

This month has been quite a surprise. We expected a great month both in invested volume and operations. October started strongly with a huge round by **Hawkers**. Then it just deflated. While there was a small resurface of the investment activity by the end of the month, it wasn't enough to beat last year's October.

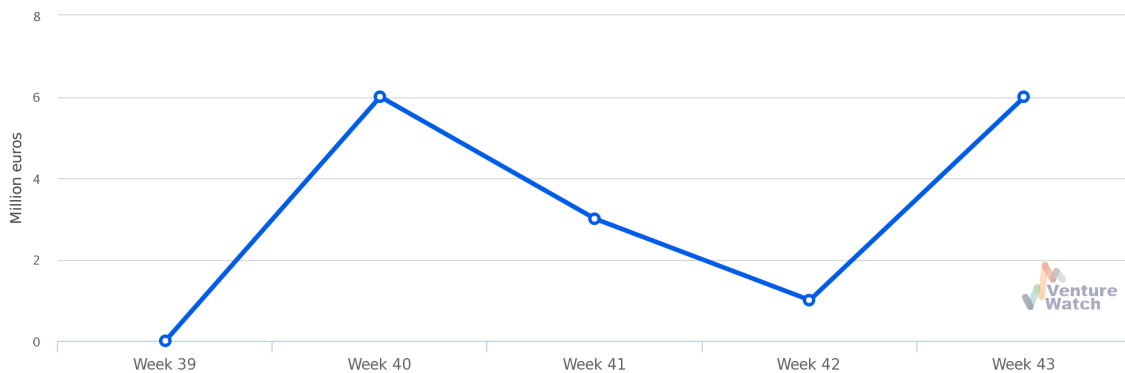
**Monthly investment euros in Spanish IT companies (Oct 2016)**

Source: Venture Watch Research



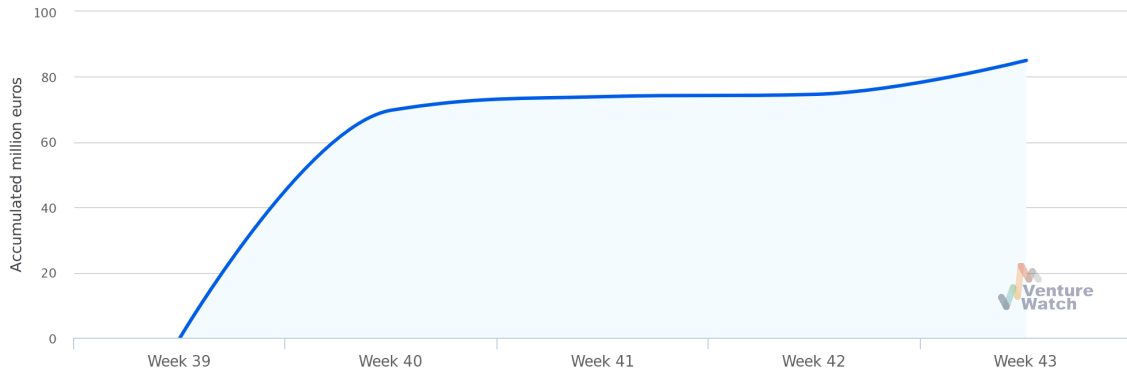
**Monthly investment deals in Spanish IT companies (Oct 2016)**

Source: Venture Watch Research



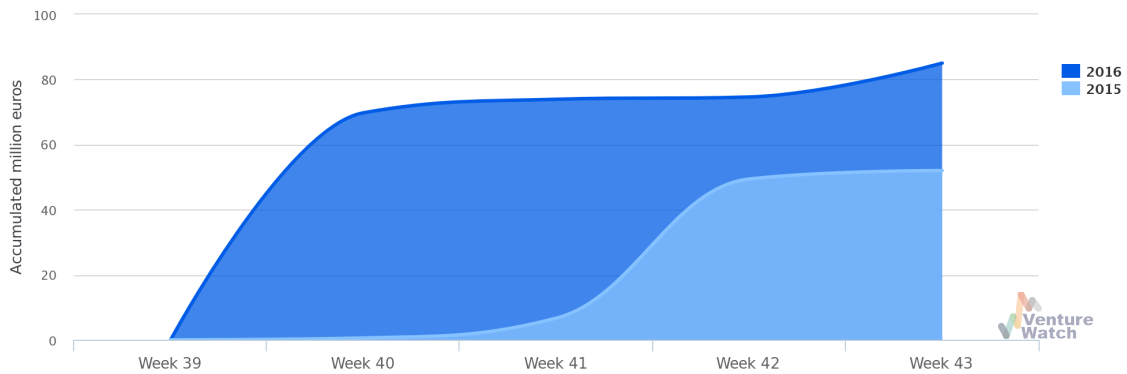
### Monthly accumulated Spanish IT investments (Oct 2016)

Source: Venture Watch Research



### Monthly accumulated Spanish IT investments (Oct 2016 - Oct 2015)

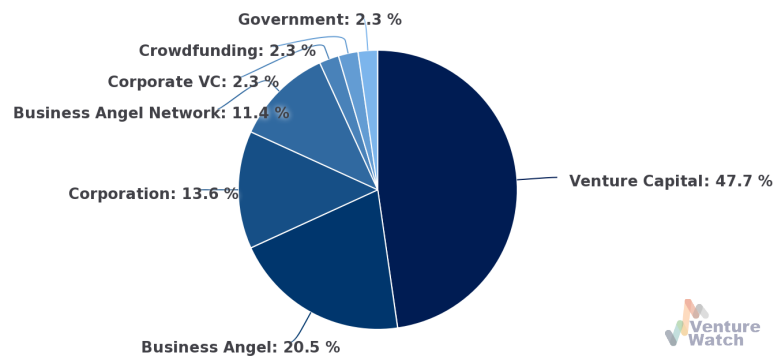
Source: Venture Watch Research



When compared to last year, it was a much better month, but all things considered, most of it due to the anomalous round by **Hawkers**.

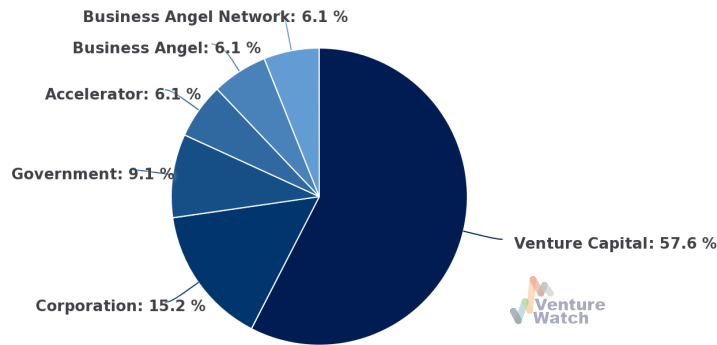
### Distribution of Spanish IT deals by investor type (Oct 2016)

Source: Venture Watch Research




**Distribution of Spanish IT deals by investor type (Oct 2015)**

Source: Venture Watch Research



Not a lot of differences in the investor types. Maybe comment on the significant drop in government funding. Probably it's been the one investment instrument that's hurting due to the political instability we've experienced this year.

	Oct 2016	Oct 2015	Difference (%)
Deals	16	17	-5.88 %
Invested	85.020541	52.012	63.46 %
Average round size	5.31	3.25	63.38 %
Median round size	0.75	0.55	36.36%
Standard deviation	12.39	7.51	64.98 %

As we can see above, the number of deals remained aligned with last year's, even slightly under. The median round keeps being larger this year, though, and obviously having **Hawkers'** round tilted the balance regarding total invested capital this month.



Deal date	Company	Investment	Sector
03 Oct, 2016	Hawkers	50.00 million euros	Fashion
04 Oct, 2016	4iQ	12.50 million euros	Security
24 Oct, 2016	Verse	7.60 million euros	FinTech
04 Oct, 2016	Sourced	5.30 million euros	Employment
11 Oct, 2016	Worldcoo	2.30 million euros	FinTech
26 Oct, 2016	OnTruck	2.00 million euros	Logistics
14 Oct, 2016	Seedtag	1.50 million euros	Ecommerce
05 Oct, 2016	LaCommunity	0.80 million euros	Real State
19 Oct, 2016	Tu&Co	0.70 million euros	Ecommerce
06 Oct, 2016	Hooks	0.67 million euros	Media
25 Oct, 2016	BeWanted	0.60 million euros	Employment
04 Oct, 2016	Cuidum	0.50 million euros	Health
10 Oct, 2016	Wetaca	0.35 million euros	Food
28 Oct, 2016	Signaturit	0.10 million euros	eGovernance
28 Oct, 2016	Skitude	0.05 million euros	Sports

There are some fascinating operations this month, though. The obvious one is **Hawkers**. It's not usual to see a fashion company raise such a large round. The fact that Felix Ruiz is also involved in the round shouldn't surprise anyone. He's the man behind some of the biggest rounds in this country.

Another exciting round is the one by **4iQ**. The company is the brainchild of the team behind **AlienVault**, one of the top Spanish startups outside of the country. The company intends to become the **Palantir** of Spain, which is already pretty incredible. We do believe we'll hear some excellent news coming from their side soon.

Our friends from **Sourced** also raised an impressive round. It's, by far, one of our favorite startups in their space. They're taking recruiting to a whole new dimension, and we expect them to become the world reference of technology recruitment very soon.

And last but not least, we're happy to see **Point Nine Capital** investing in Spain again. The fact that they're betting down on **OnTruck** should be a massive signal for other VCs. I believe most people are going to miss the opportunity of being part of the upcoming transportation revolution. Time will say.

## Trends and Conclusions

This month hasn't been too different from last years. The major difference is the regularity of bigger and bigger rounds. On our last quarterly report, we signaled the raise of the median round and October is keeping the trend too.

More than the increase in volume, it's important to mention the investment in new seed rounds. We need plenty of those, as it will seed the ground for the next big investment cycle.

Also, it's worth commenting on this month's rounds. We're seeing a very curious assortment of industries and teams getting investment. Keep track of the security and logistic spaces because we think we're going to see more and more operations in those areas.

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