ENTREPRENEURSHIP MAP

STARTING DATA
STARTUP COMPETITION

4,432
APPLICATIONS RECEIVED

2,838
STARTUPS ANALYZED

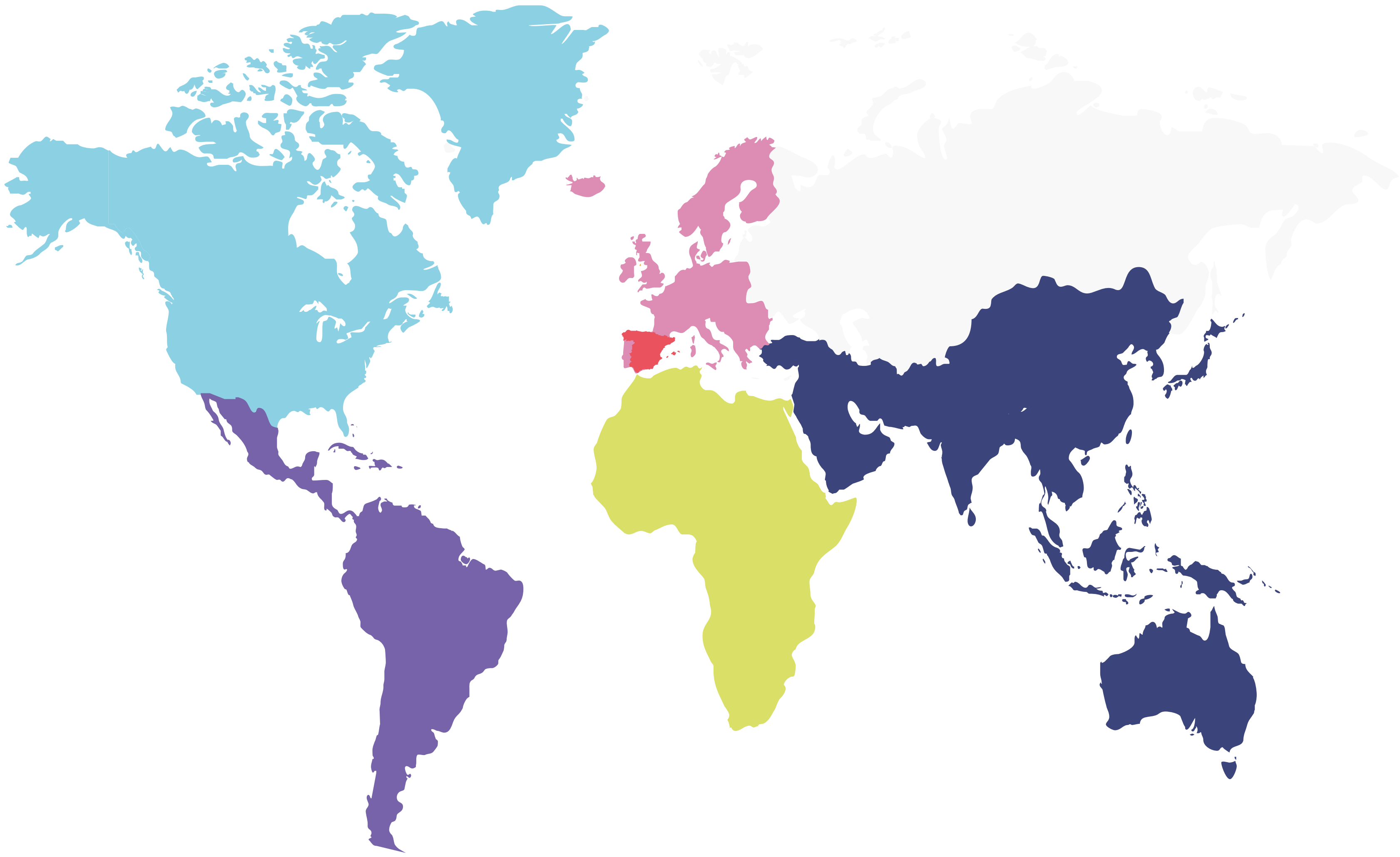
ORIGIN:
International 80%
Spain 20%.

TYPOLOGY:
Startup competition

FEATURES:
Innovation, scalability, investment, viability and sustainability.

SOUTH SUMMIT 2023 ENTREPRENEURSHIP MAP

ORIGIN OF THE STARTUPS



- 20% SPAIN
- 24% EUROPE
- 21% LATAM
- 13% APAC
- 12% NORTH AMERICA
- 10% AFRICA

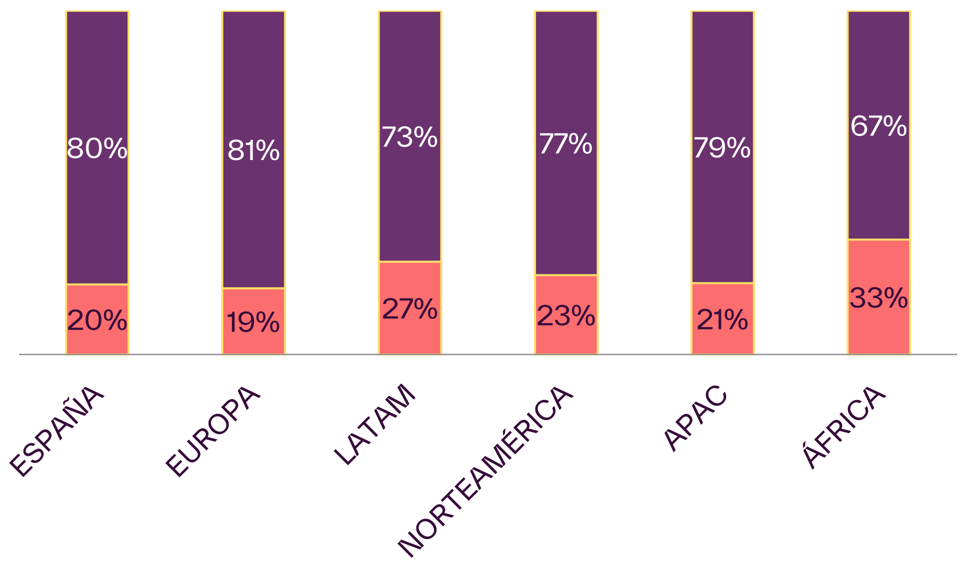
/SUMMARY

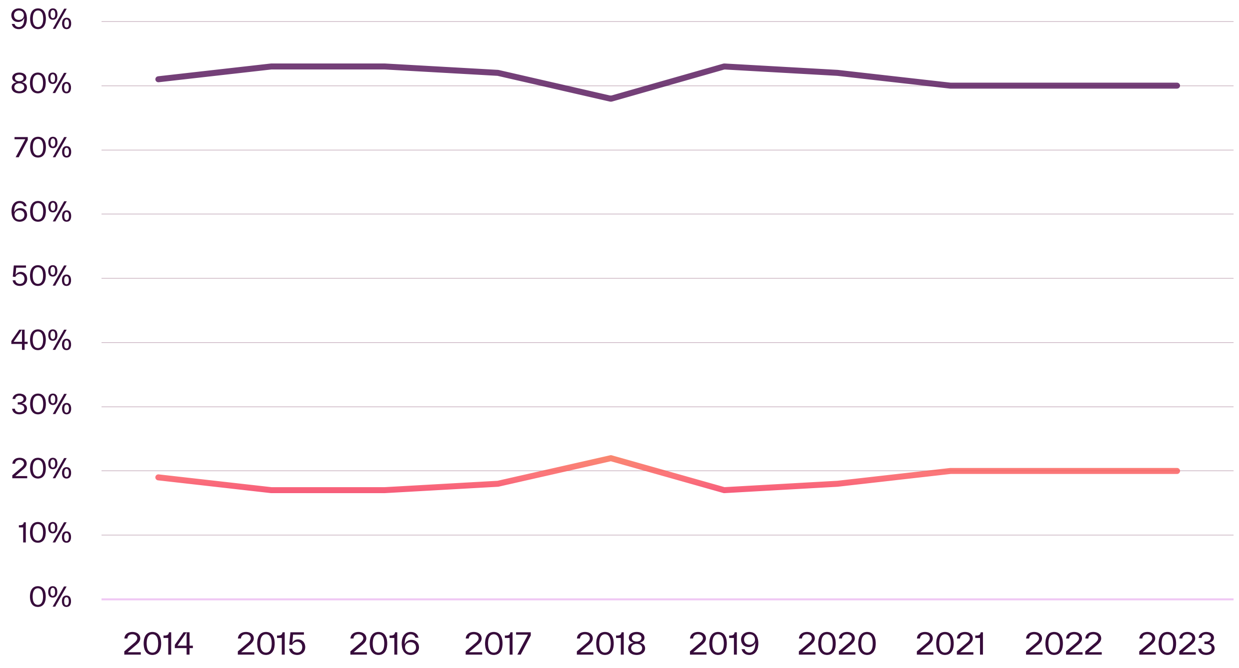
01 THE ENTREPRENEUR

- The Spanish entrepreneur is mostly male (80%).
- Their age is around **32**, compared to 33 in 2022.
- **98% have a university degree and 79% have a master's degree**, 9% more in 2022. This places Spain above all other regions. 16% have a PHD, a figure that remains unchanged from 3 years ago.
- **49%** come from working **as an employee in a company** (3% less than in 2022) and there is a slight growth compared to the previous year with **8% coming from working in a startup.**
- **40% have always wanted to be entrepreneurs** and **40%** have found a **market opportunity**, data that remains stable.
- **61% are serial entrepreneurs.**
- 44% of Spanish entrepreneurs have had to finance themselves initially with their **own capital**. Despite being almost a half, **it is the region that has needed this resource** the least, even below Europe (49%) and North America (50%).

profile of the **entrepreneur** in SPAIN

GENDER evolution





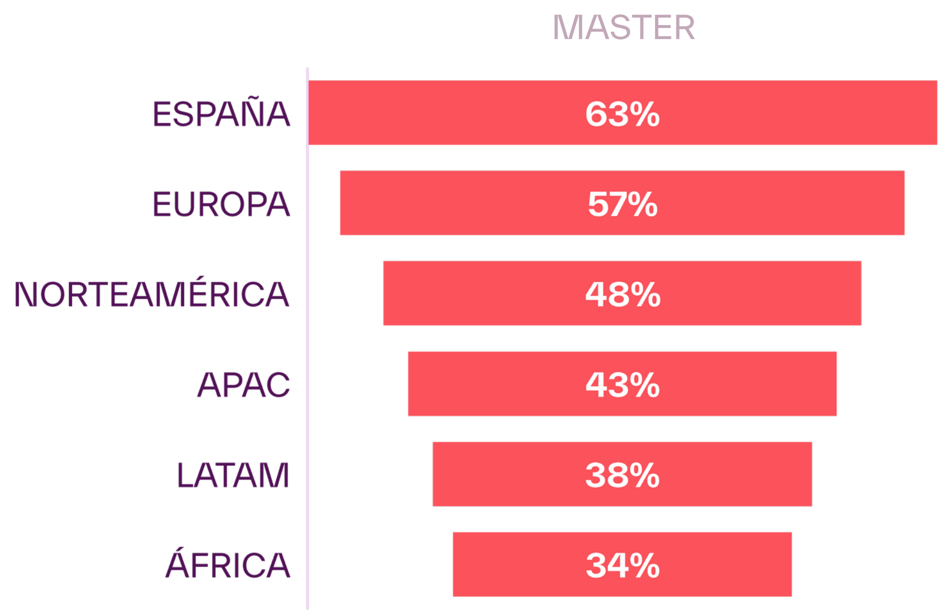
WOMEN MEN

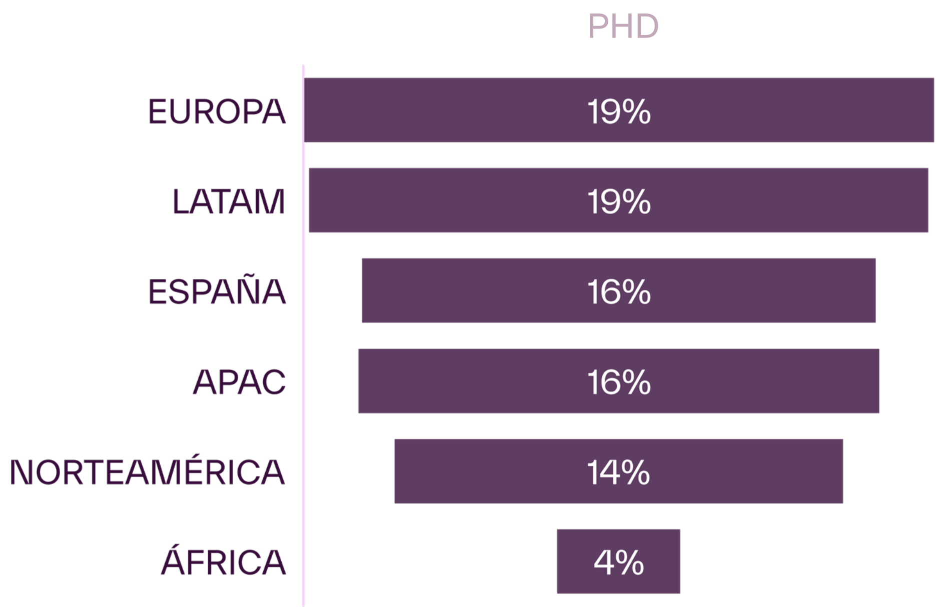
The male presence continues to dominate the entrepreneurship sector, with a representation of around 80% in the last 10 years.

MAXIMUM LEVEL OF EDUCATION obtained

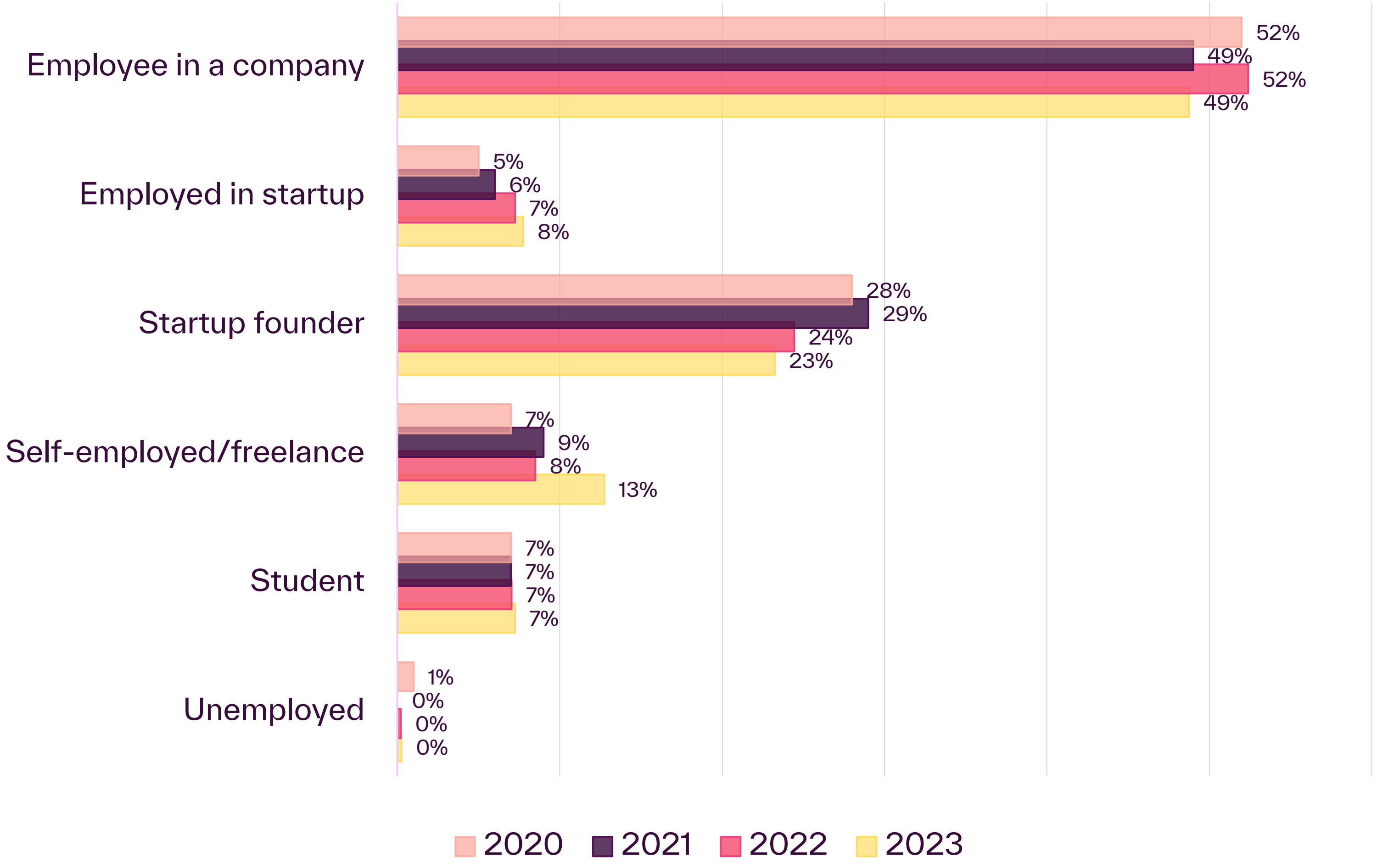
In Spain, 98% of entrepreneurs have at least a university degree and, of these, 79% have a Master's degree and/or PhD. This makes Spain the most educated region, above the European average.

- The main areas of specialization for Masters and PHDs are Engineering and Social Sciences.
- These studies are mainly applied to industries such as Fintech, Healthcare and Professional Services.





PREVIOUS EMPLOYMENT SITUATION



- Most entrepreneurs come from working in a dependent relationship, mainly from the private sector.
- An increase is observed for the self-employed.

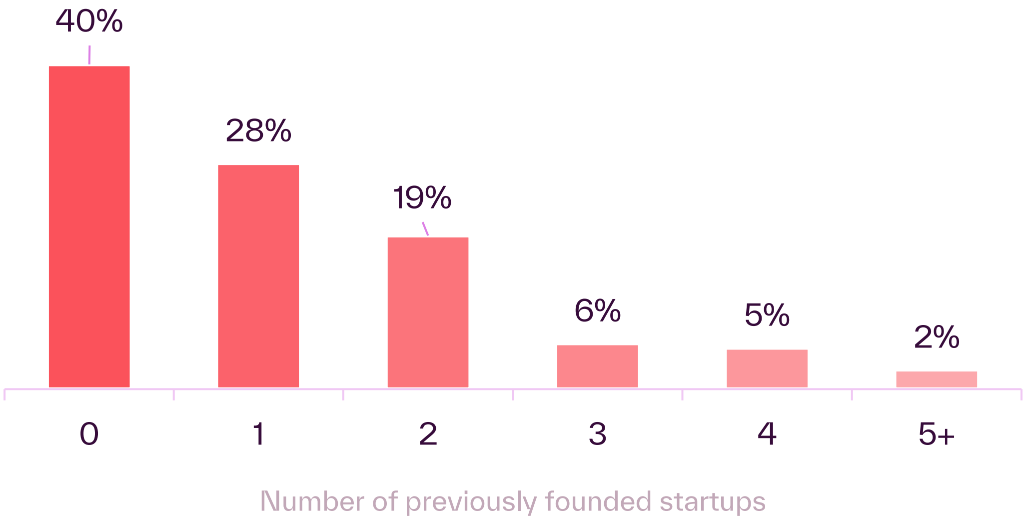
SOUTH SUMMIT 2023 ENTREPRENEURSHIP MAP

01 / THE ENTREPRENEUR

profile of the entrepreneur in Spain

SERIAL ENTREPRENEUR

61% are serial entrepreneurs, having participated in the creation of at least **2** startups in their life.



The 5 industries where the most serial entrepreneurs are found are:

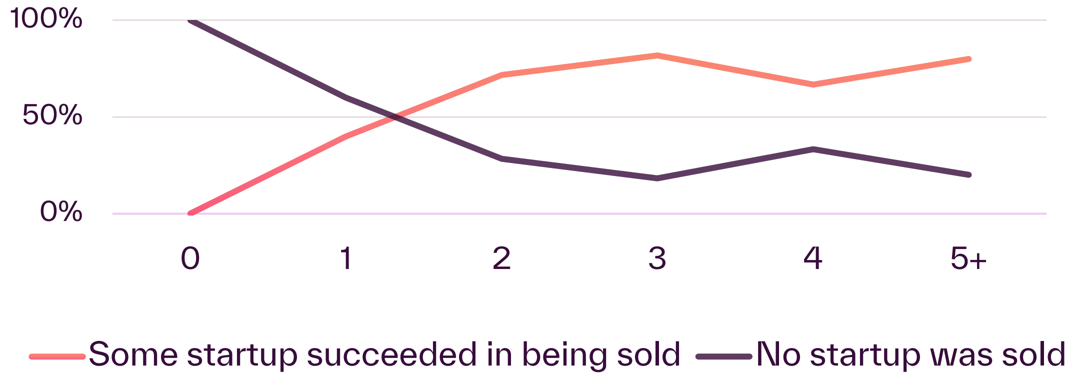
FINTECH

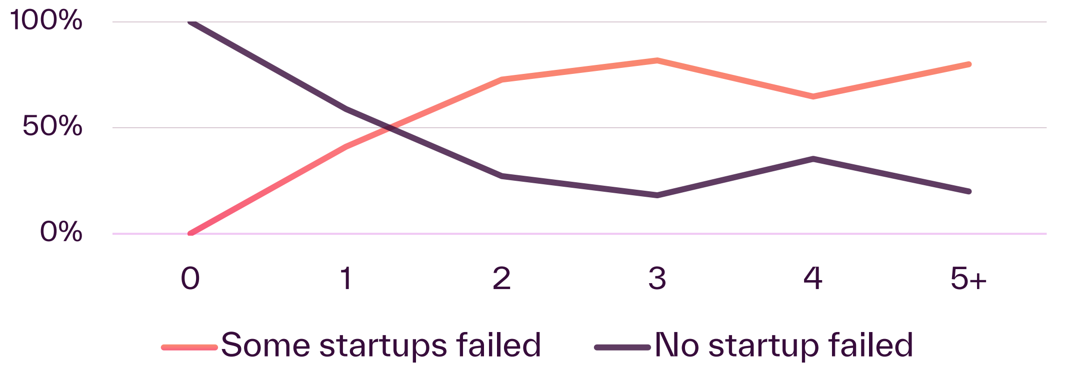
SOFTWARE DEVELOPMENT

AGROTECH

EDUCATION

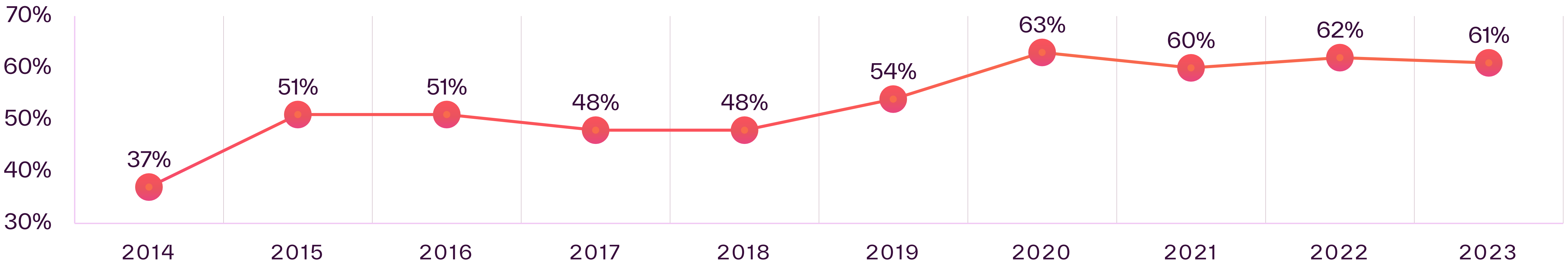
HEALTHCARE

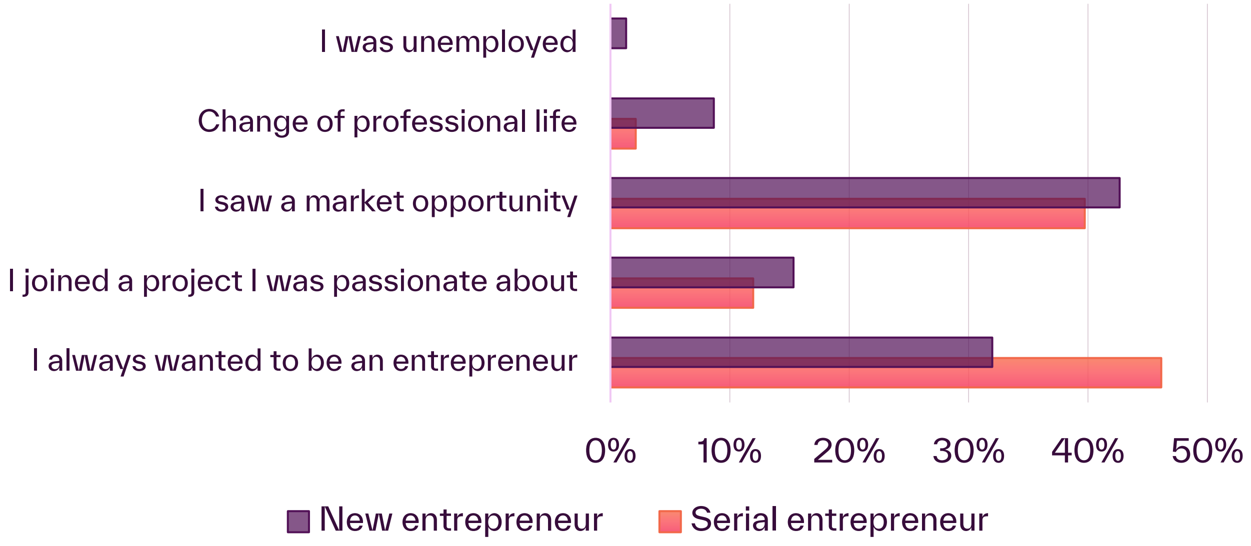




The trial and error technique applies perfectly in the world of entrepreneurship.
The likelihood of succeeding in selling a startup increases with attempts.

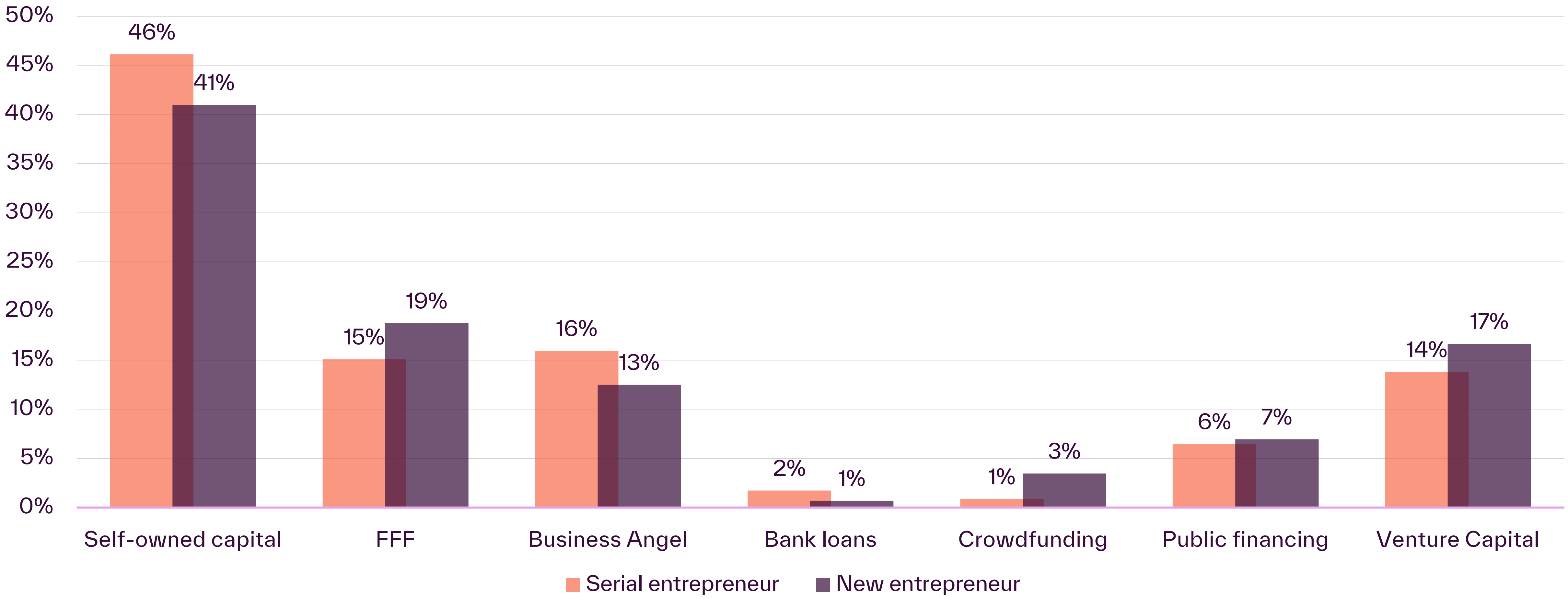
SERIAL ENTREPRENEUR





While the serial entrepreneur is more vocational, the startup entrepreneur tends to be more pragmatic, looking for market opportunities or changes in their professional life.

SERIAL ENTREPRENEUR

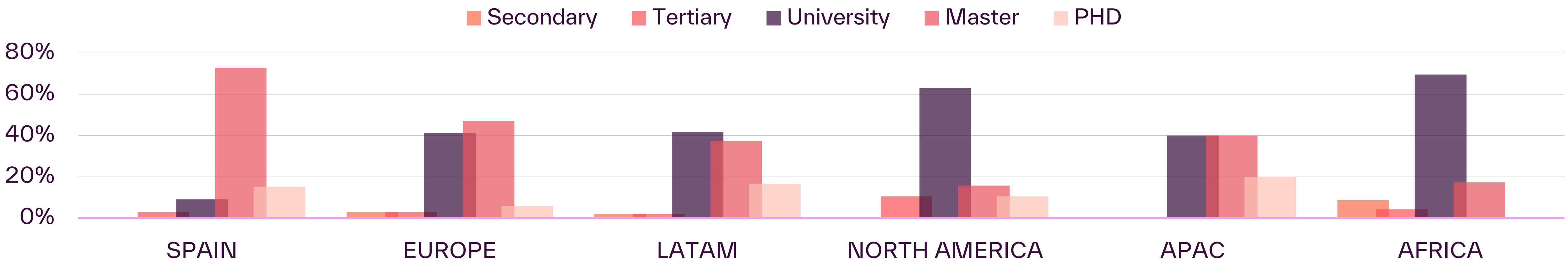


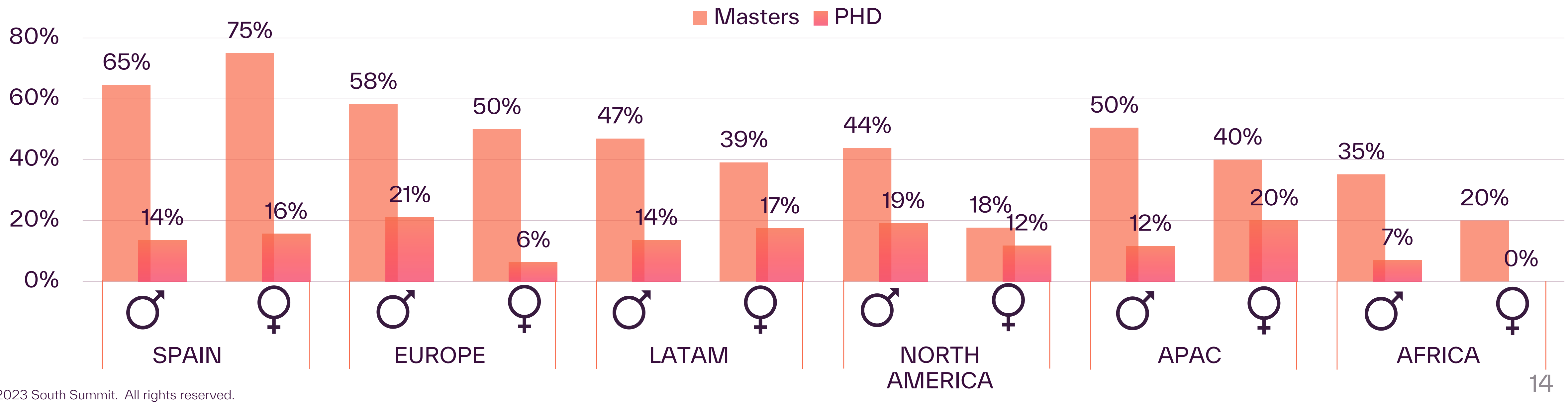
/ WOMEN | Global profile of the female entrepreneur

- **35 years old**.
- 97% of Spanish women entrepreneurs have a university degree, 88% have at least a master's degree and 15% also have a PHD. If we analyze this at a global level, the figure drops substantially (53% master's degree and PHD).
- 45% come from working in another company (ditto men) and 7% from another startup. This places women slightly behind the 8% of men.
- The most common positions are **CEO, COO and CMO** (CEO, CTO and COO for men).
- **43% of women are serial entrepreneurs**, compared to 61% of men.
- While only 7% get their **first financing from the private sector (less than half as men), 10% do so with public funds, 5% more than men.**
- The tendency to find women in sectors such as health, education and finance continues, **although sectors such as recycling and everything related to "Green Business", as well as agrotech and services, are entering with strength.**

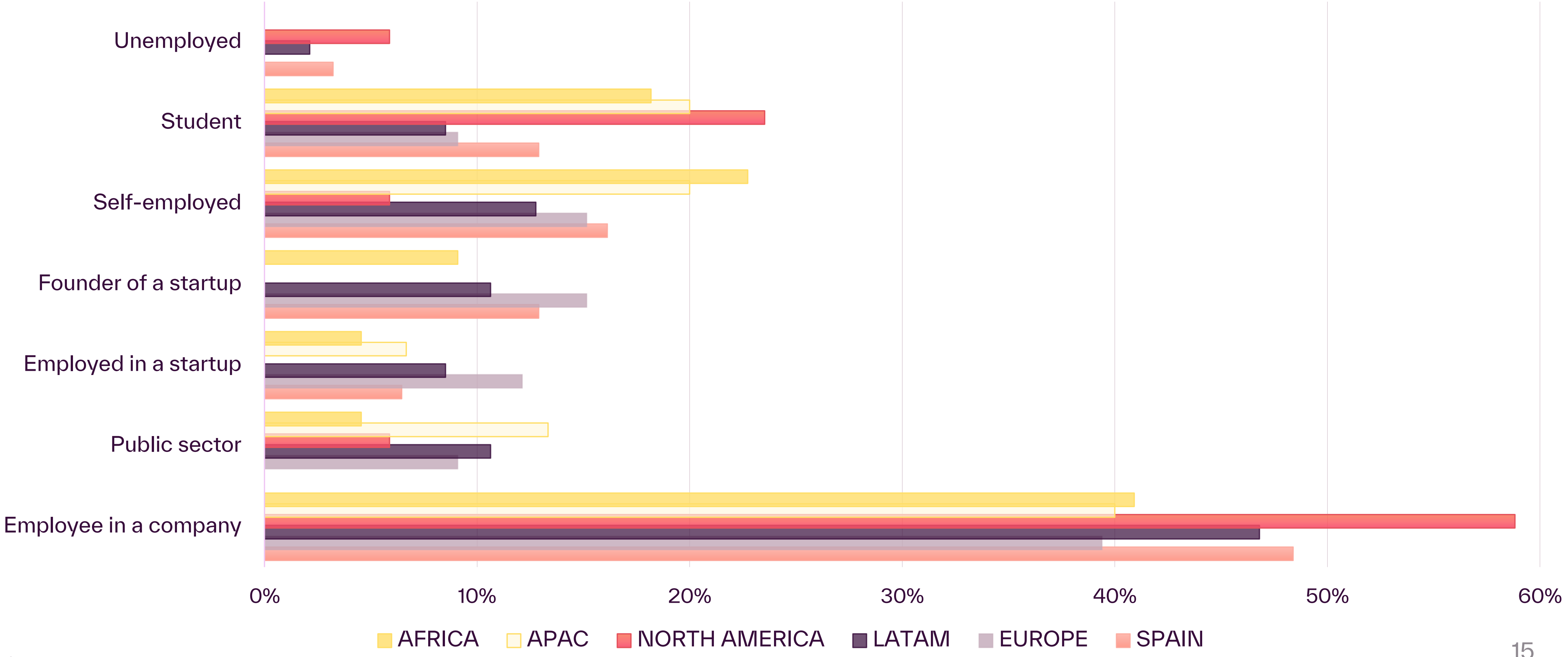
SOUTH SUMMIT 2023 ENTREPRENEURSHIP MAP

/ WOMEN | Education



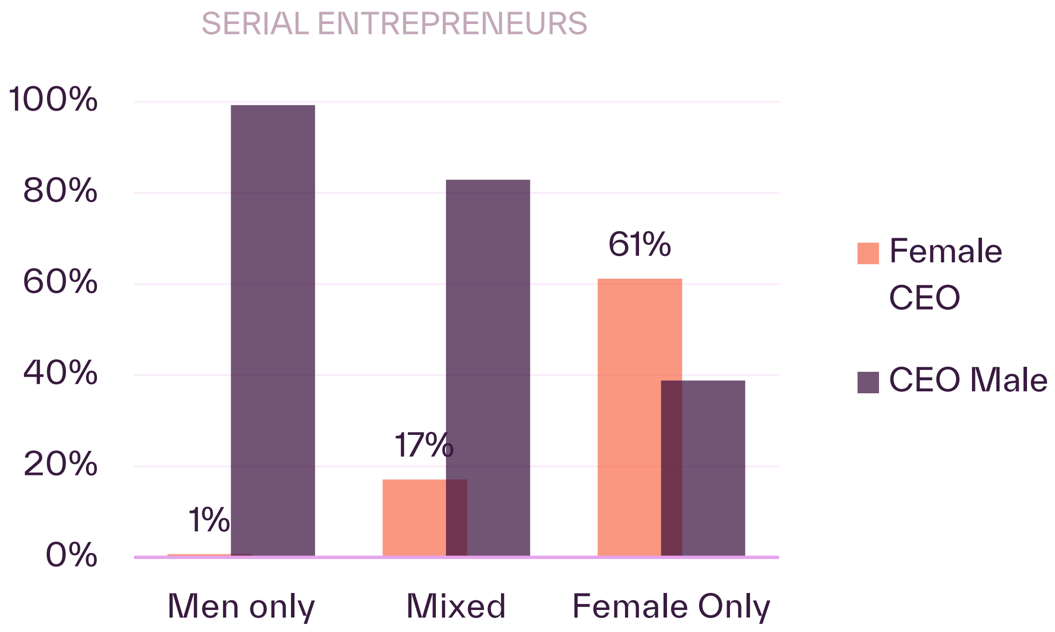


/ WOMEN / Previous employment status



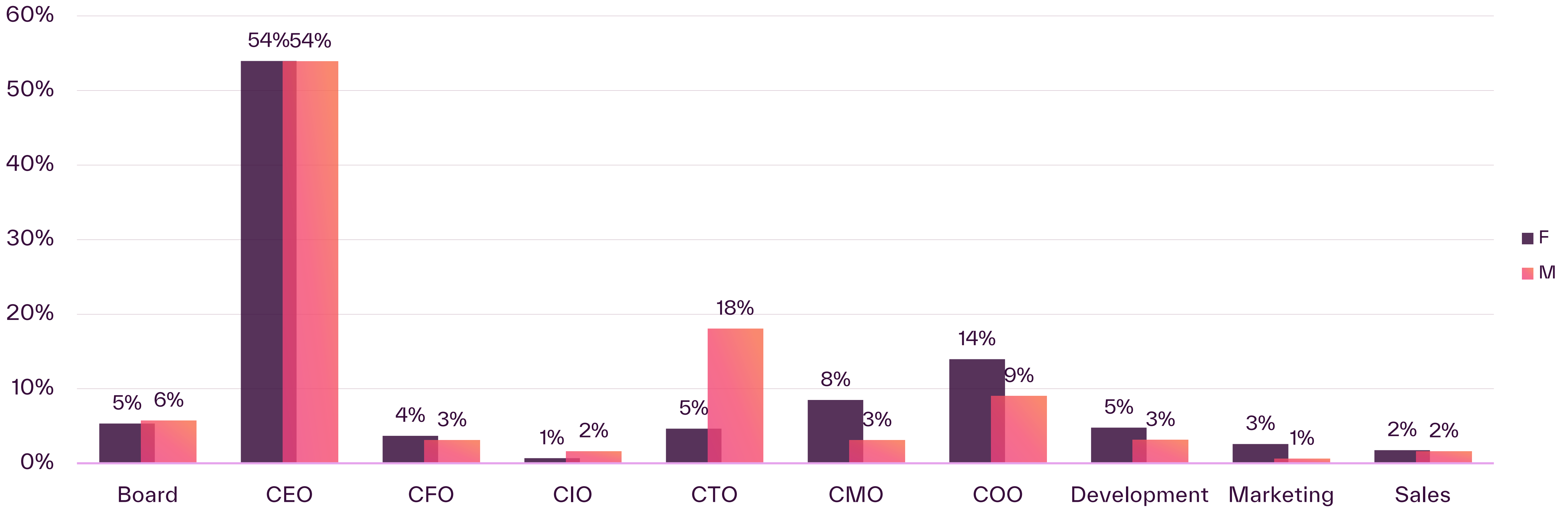
/ WOMEN | Positions

While mixed teams maintain the 80/20 ratio in the gender of their CEOs, 100% of startups founded only by men have a male CEO, while startups founded only by women have 28% male CEOs.

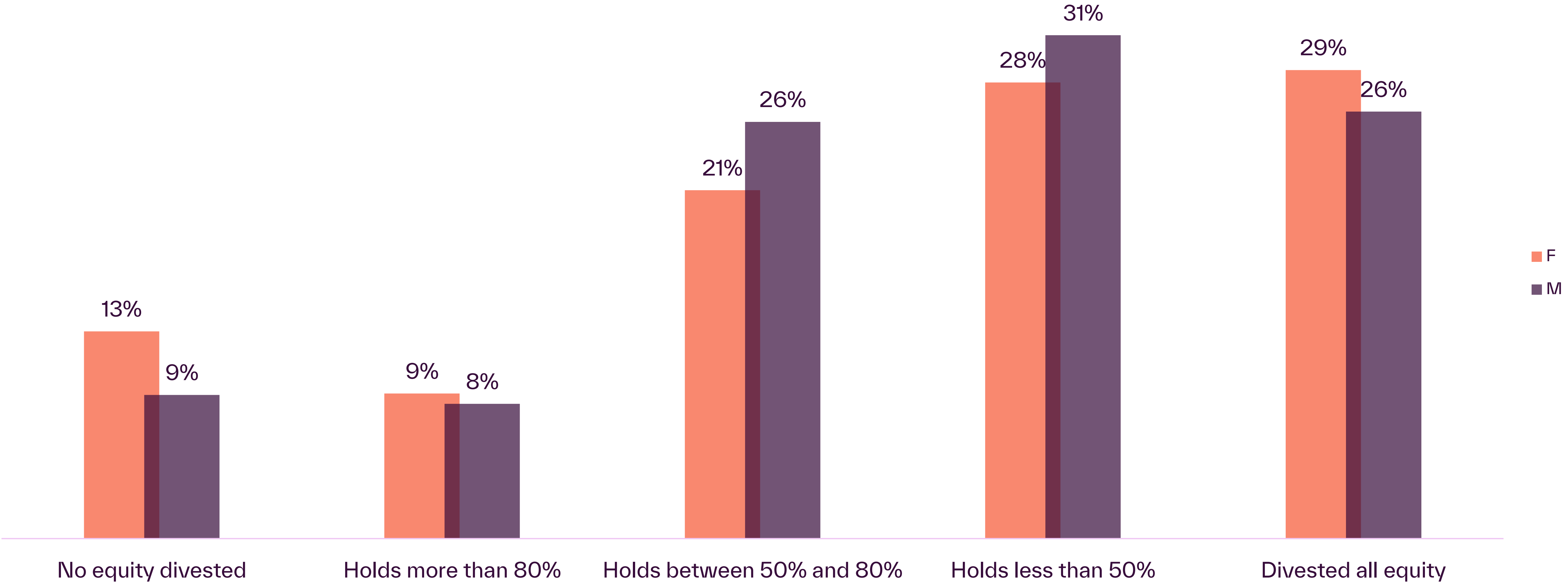


For serial entrepreneurs, the figure is even more alarming with a 10% decrease in female presence for this position.

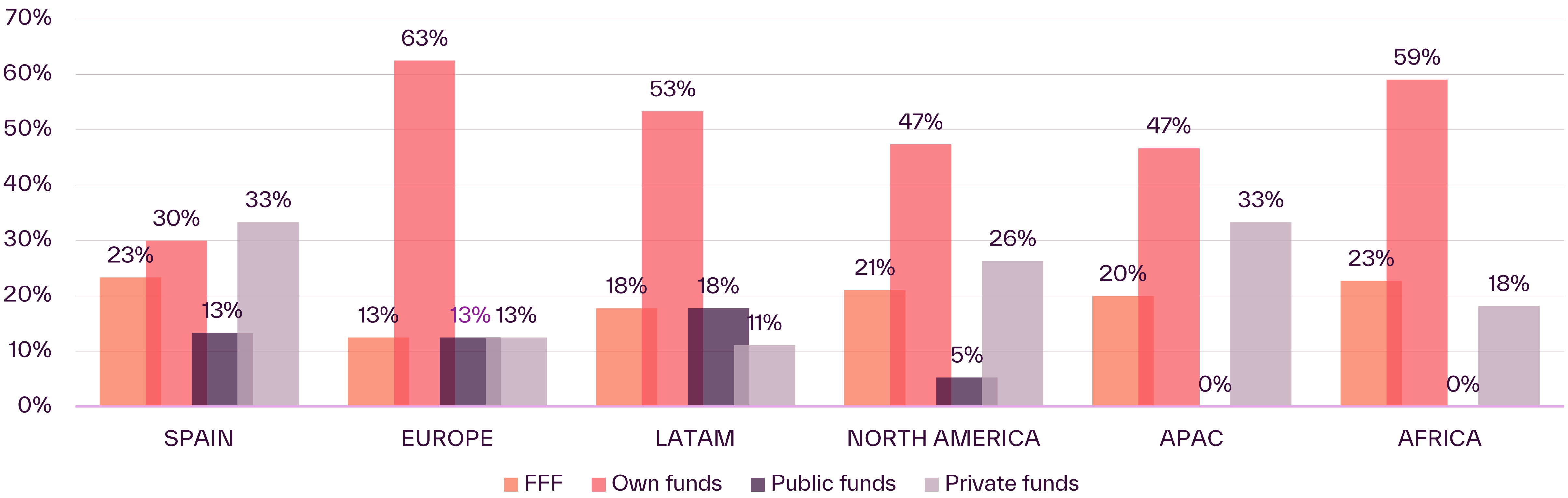
/ WOMEN | Positions



/ WOMEN | Equity



/ WOMEN | Financing



Spain is the region where women are least likely to be self-financed.
Moreover, while in regions such as Spain, Europe and Latin America, public funding is a resource widely used by women, in APAC and Africa it is non-existent.

/ WOMEN | Top 10 sectors with the highest female presence

	2023	2022	
1	Healthcare	Healthcare	
2	Education	Social impact	
3	Green business	Fintech	
4	Social impact	E-commerce	
5	Agrotech	Education	NEW
6	Fintech	Green Business	
7	Services	Wellness	NEW
8	Software development	Tourism	NEW
9	Data and analytics	Marketing	NEW
10	Media and communication	Biology and Life Sciences	NEW

02 THE STARTUP

- **On average, a startup is 3.12 years old**, slightly more grown up than in 2022. 17% of Spanish startups are legally registered before finishing with the concept of the project and 44% do so at the same time.

- **68% have between 2 and 10 employees**, a figure that remains the same as in 2022, although 35% claim to have hired 10 or more employees in their first year of operation.

- **63% of startups have between 2 and 3 founders,** 3% more than in 2022. 6% of them start up alone and 30% do so in groups of more than 4. The trend towards group entrepreneurship is decreasing year by year (35% in 2022).

- **33% have mixed teams** (men and women), 2% less than in 2022, a percentage that adds to the range of companies founded only by women (6% in 2022, compared to 8% in 2023).

- **63% have already launched their product** and are generating traction (7% less than in 2022). For the growth or scaleup phase, the range remains at 21%.

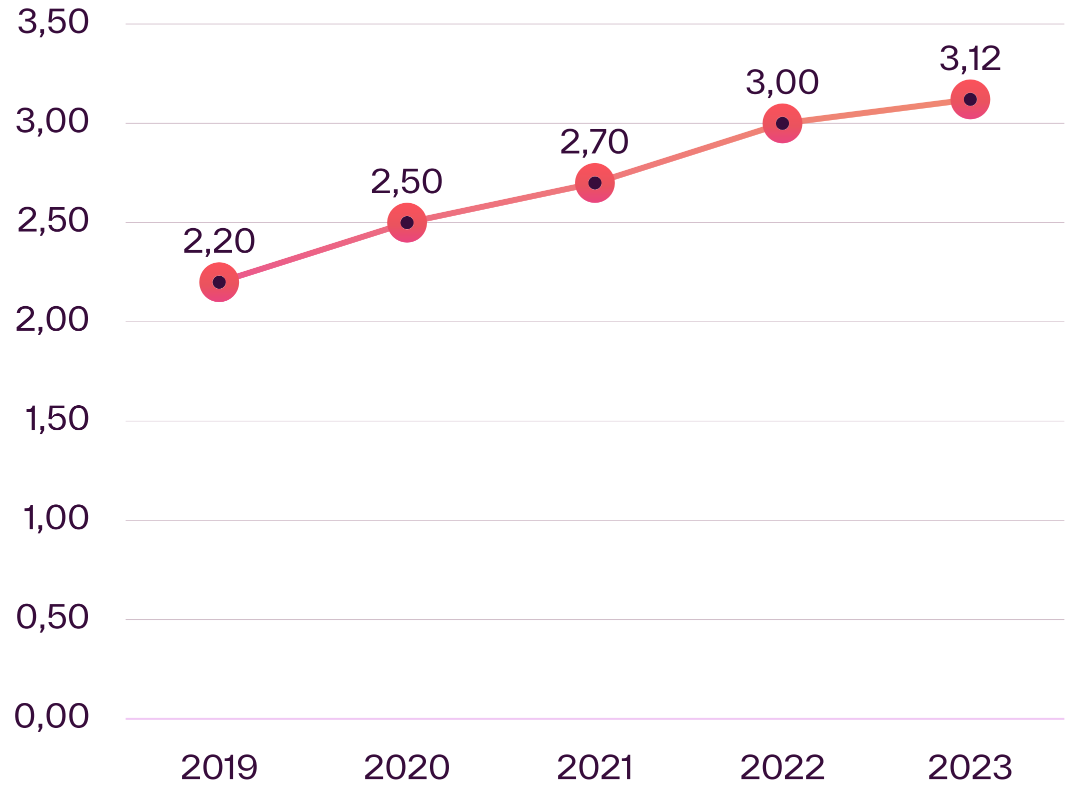
- **58% are already generating revenues**, (2% less than in 2022), 11% exceed 500k per year (ditto 2022). 6% bill more than 1M, 1% more than in 2022.

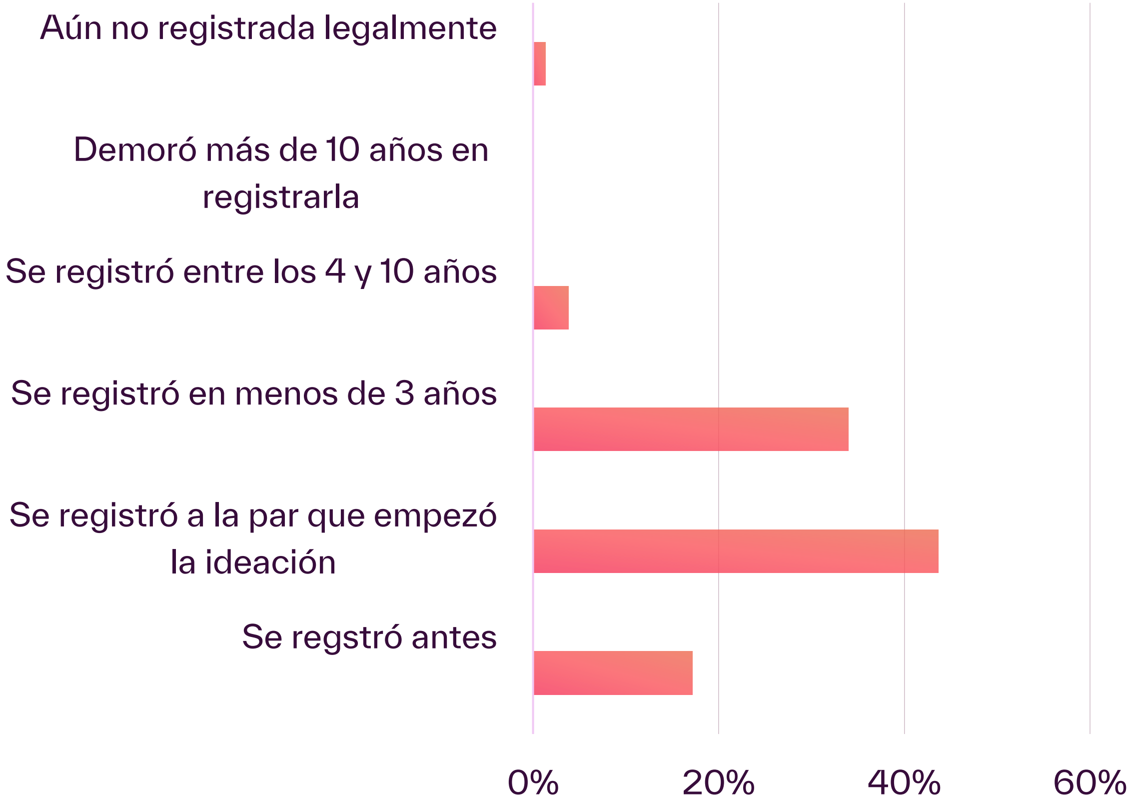
- **16% claim to have reached** positive EBITDA (1% more than the rest of Europe) and 33% expect to reach it in 1 year.

- 44% are financed with their own resources (2% less than in 2022) and **33% with private resources** (4% more than in 2022).

startup profile in SPAIN

STARTUP MATURITY

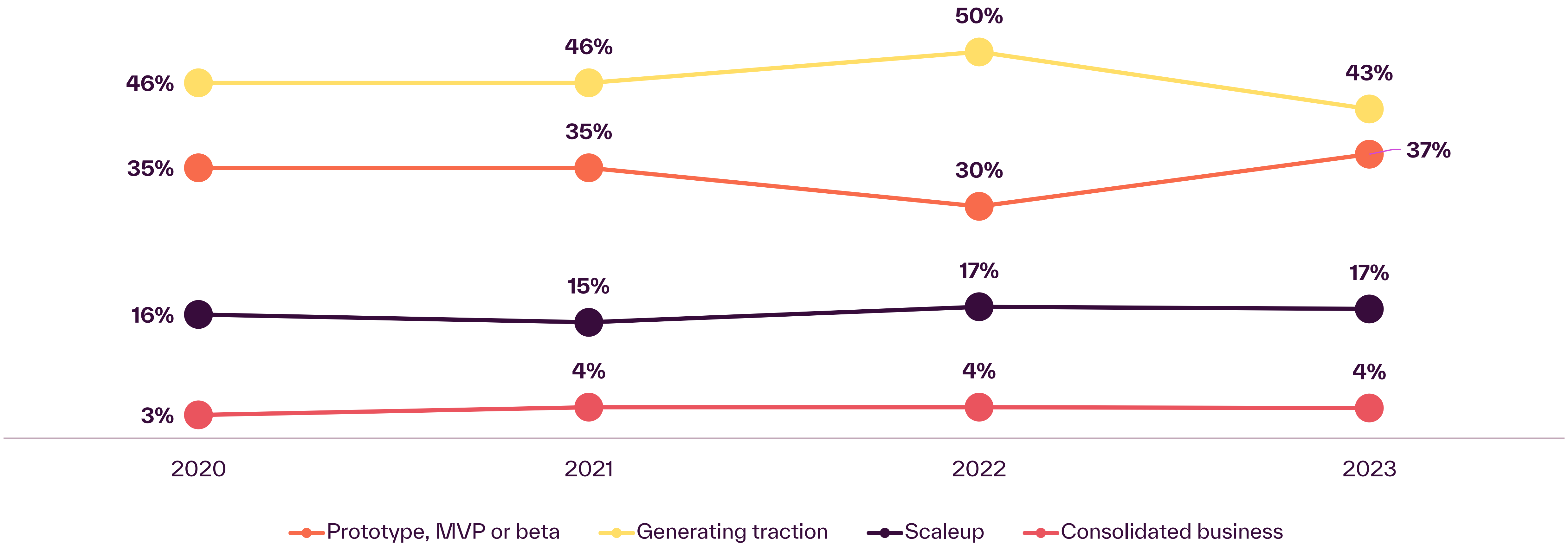




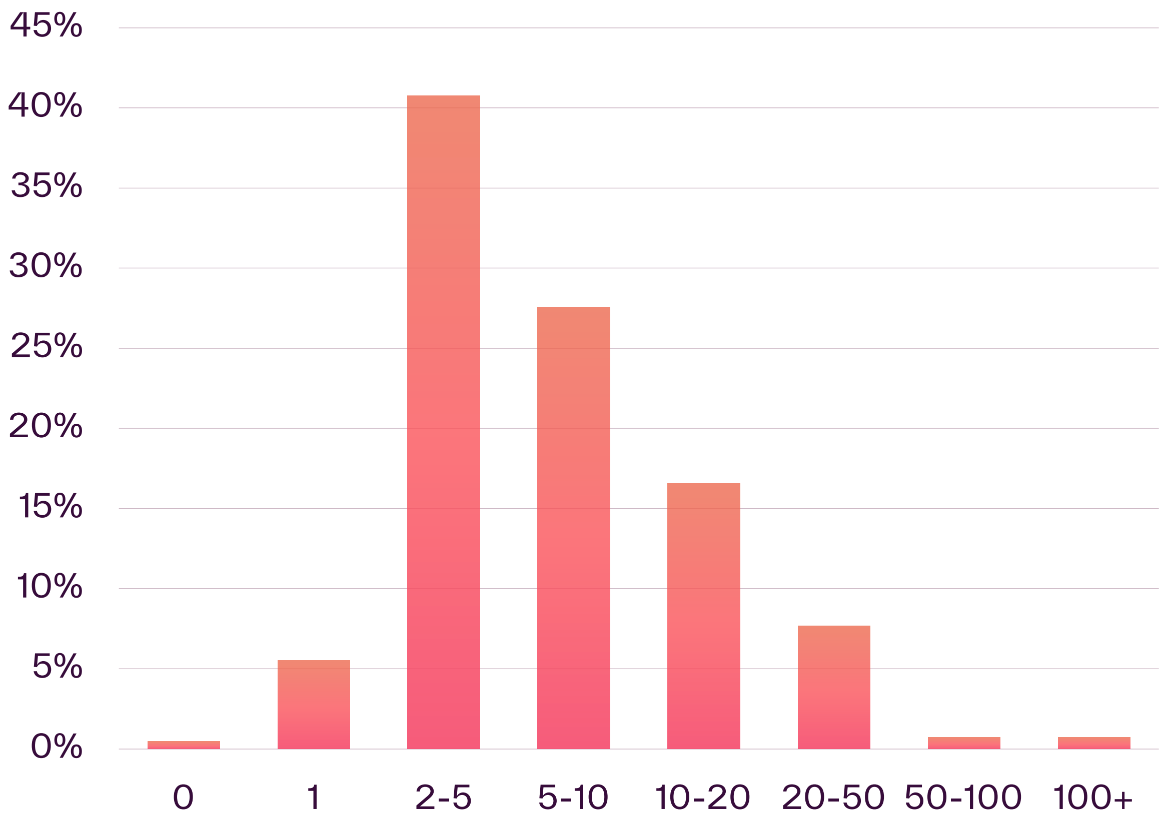
On average, a Spanish startup is 3.12 years old, showing slightly more mature startups year by year.

In Spain, entrepreneurs move from the concept phase to create the company quickly.

STAGES OF DEVELOPMENT of the Spanish startup | Evolution 2020-2023



STARTUP HIRING



The majority of Spanish startups have between 2 and 10 employees.

All startups claim to have hired at least 1 person in their first year

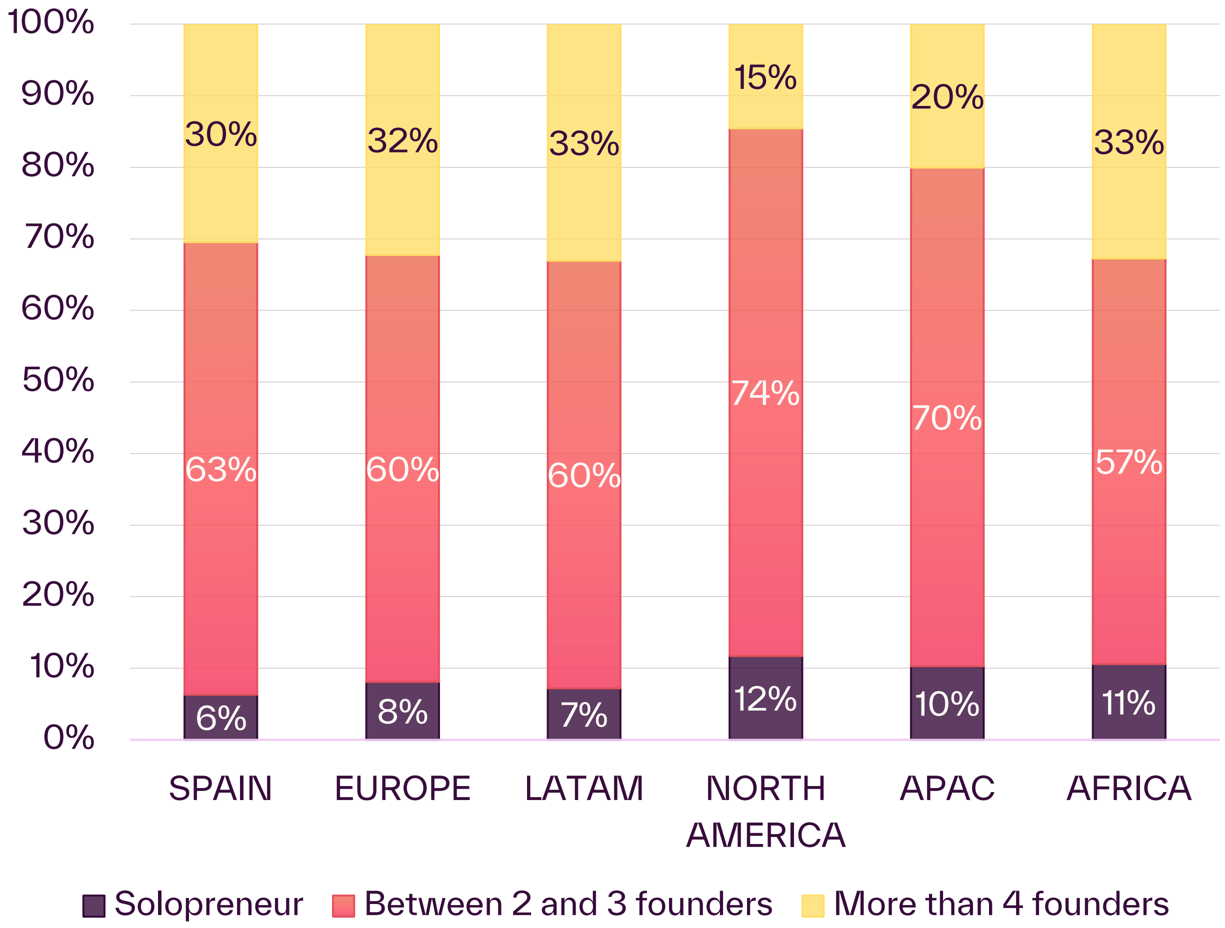
65% have hired less than 10 employees

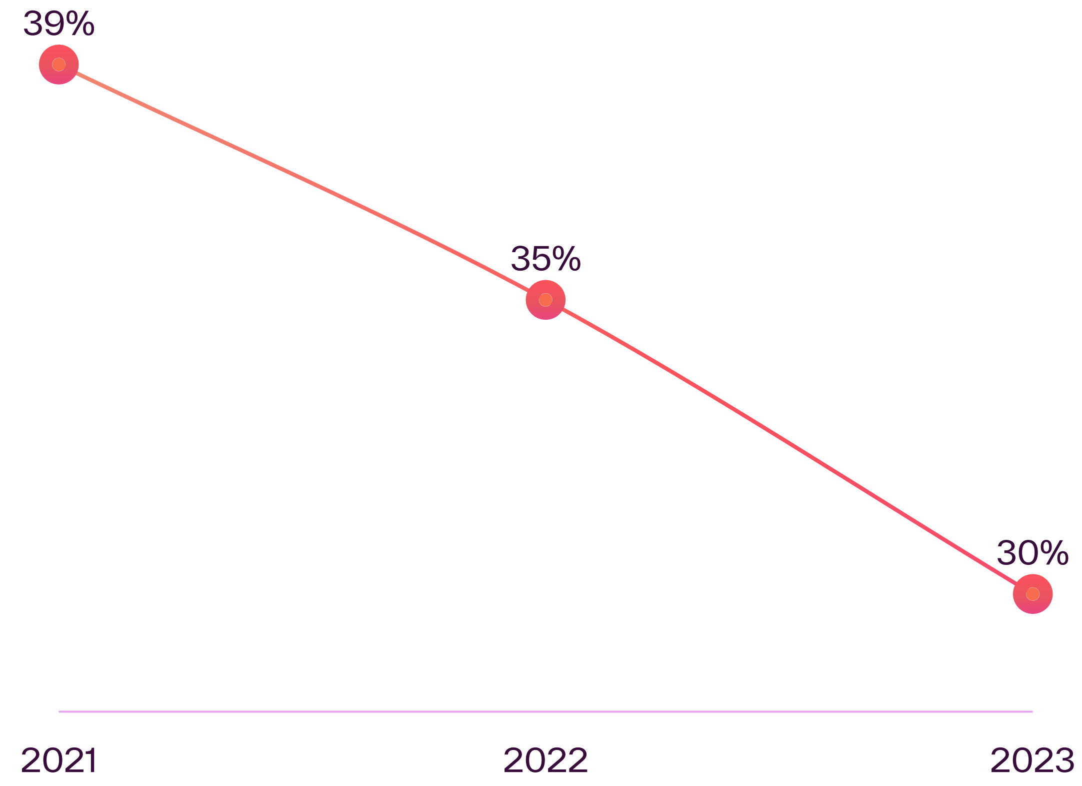
35% had more than 10 employees in their first year.

STARTUP HIRING |
Comparison by region

REGION	PROTOTYPE, MVP OR BETA	PRODUCT LAUNCHED, CREATING TRACTION/SALES	SCALEUPS	CONSOLIDATED BUSINESS
SPAIN	2 - 5	2 - 5	10 - 20	20 - 50
EUROPE	2 - 5	5 - 10	20 - 50	10 - 20
NORTH AMERICA	2 - 5	5 - 10	10 - 20	20 - 50
LATAM	2 - 5	2 - 5	20 - 50	20 - 50

FOUNDING TEAMS |
Comparison by region

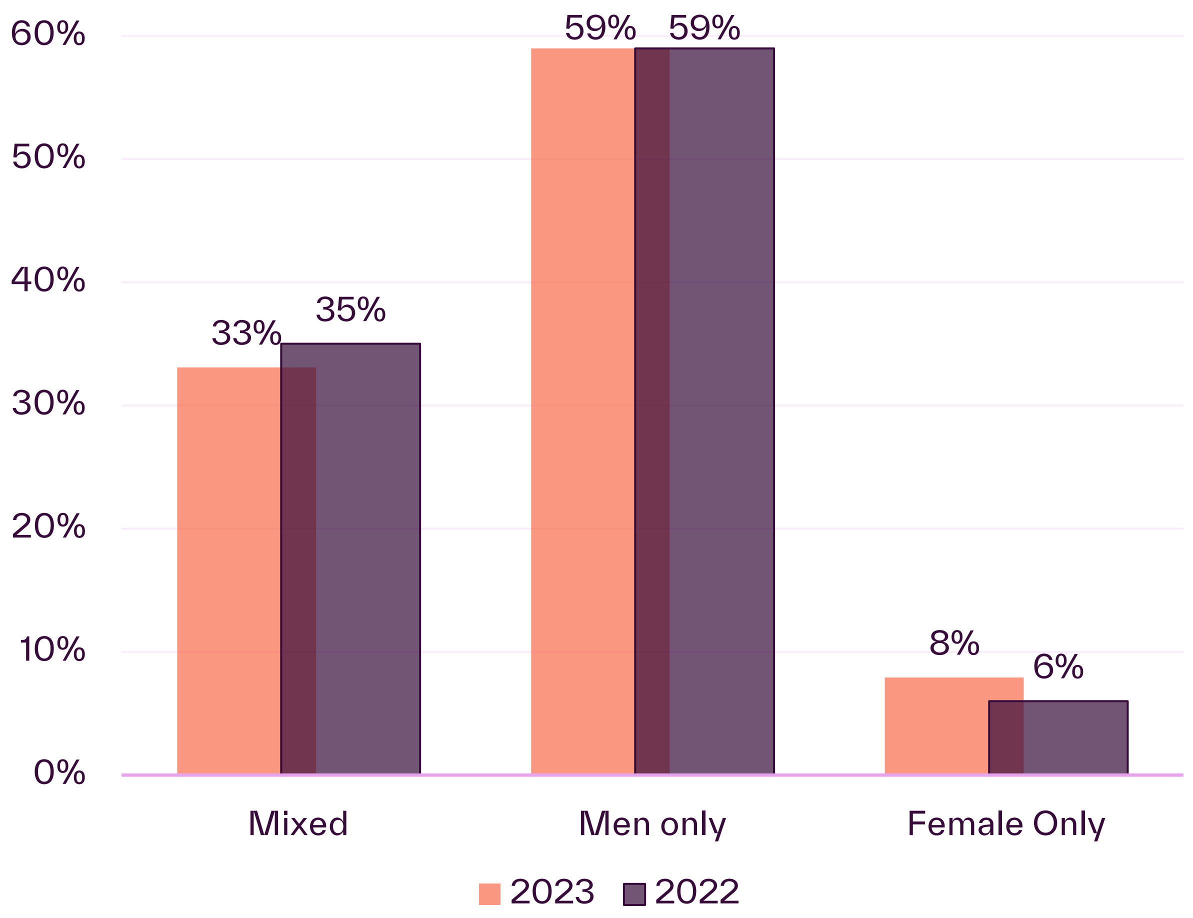




The tendency to venture in large groups is decreasing from year to year.

TYPOLOGY OF FOUNDING TEAMS

Spain



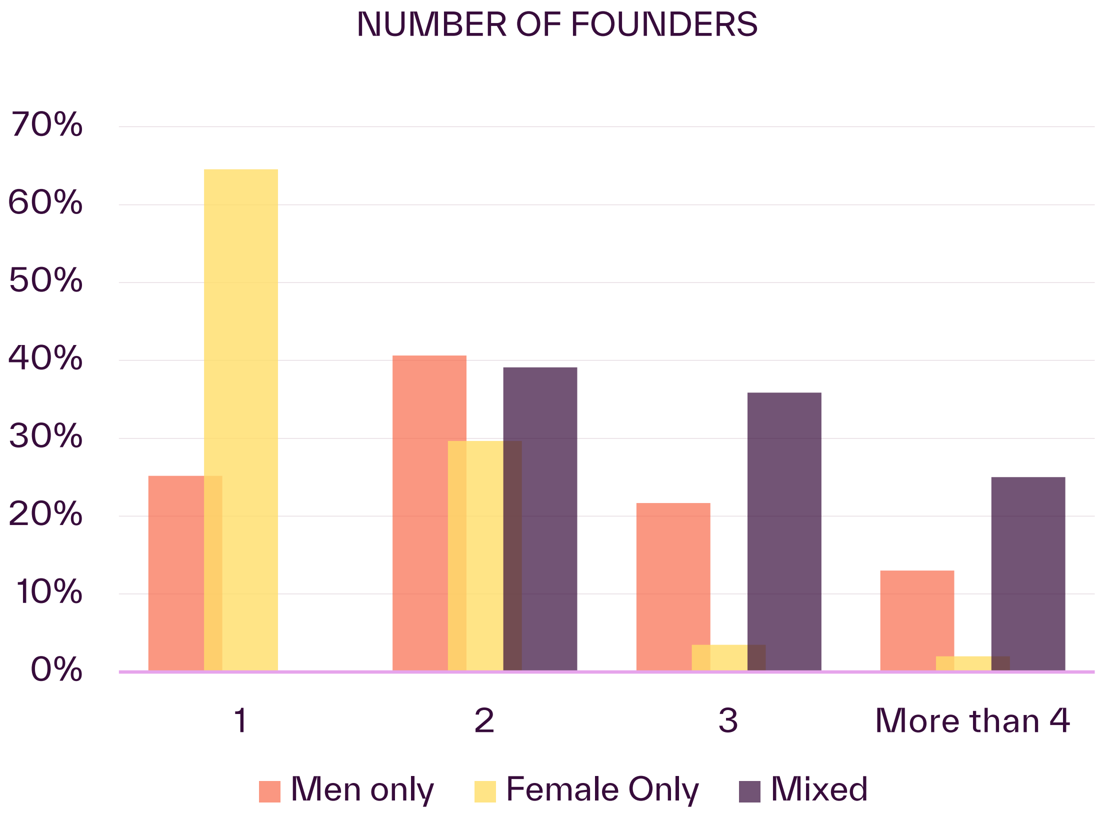
ONLY 1 FEMALE FOUNDER

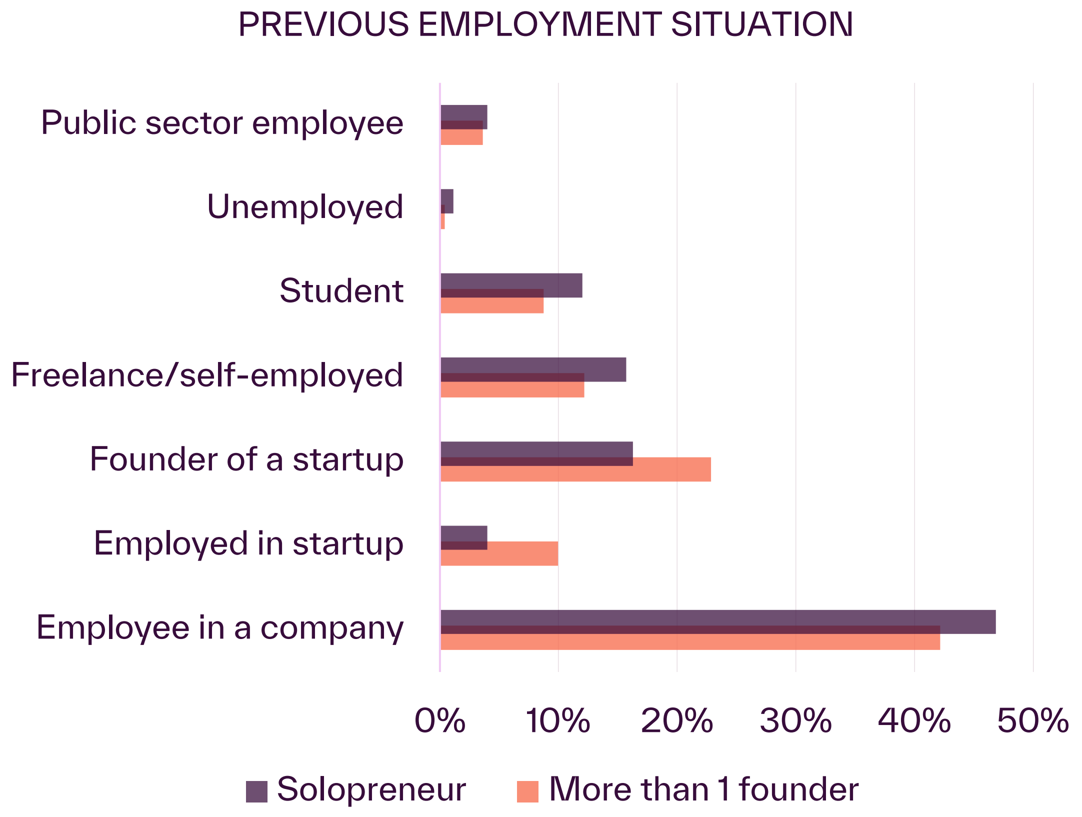
34%	53%	52%	38%	41%	42%
SPAIN	EUROPE	USA	LATAM	APAC	AFRICA

GROWTH IN 2023

+1%	+1%	+4%	+18%	+12%	+9%
SPAIN	EUROPE	USA	LATAM	APAC	AFRICA

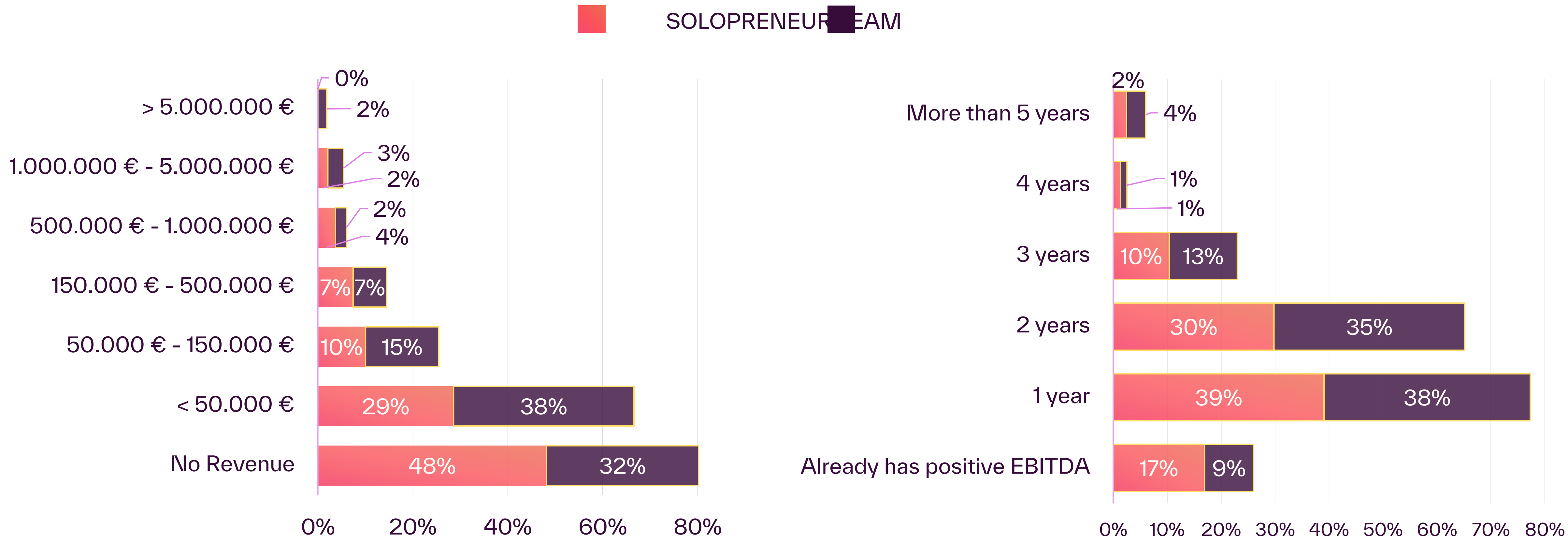
TYPOLOGY of founding teams





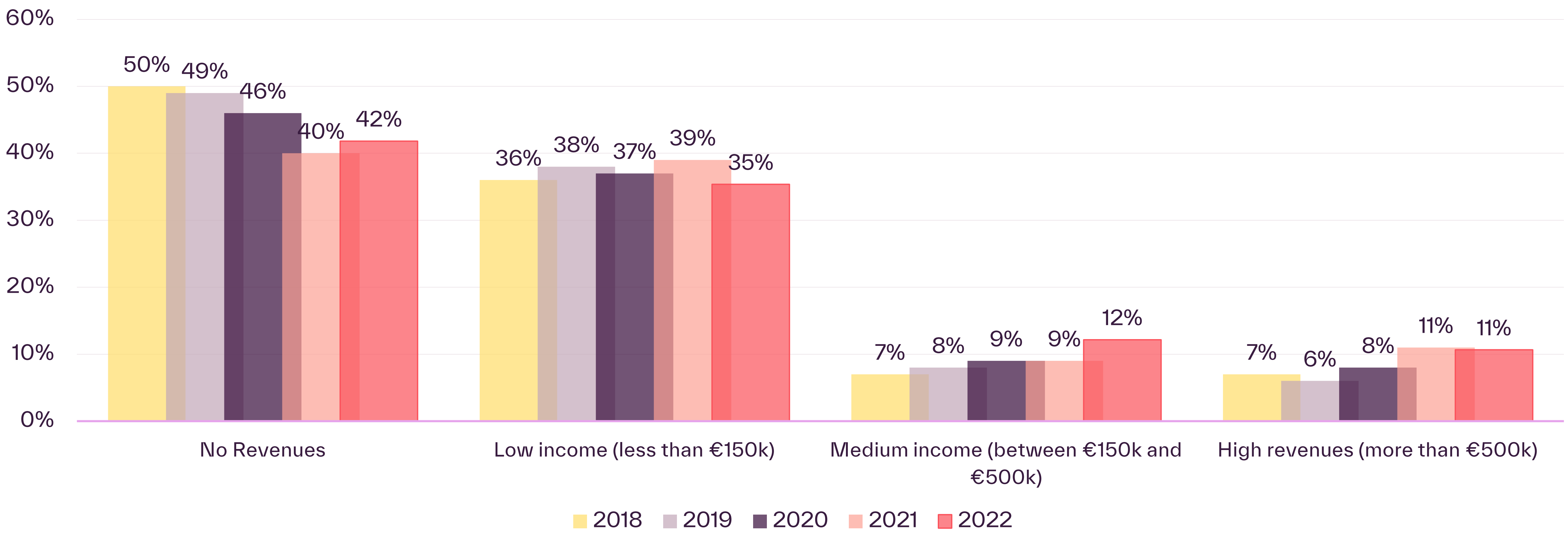
While women tend to be more "solopreneurs" (65%), men prefer team ventures (75%).

INCOME BY TYPOLOGY of founding teams

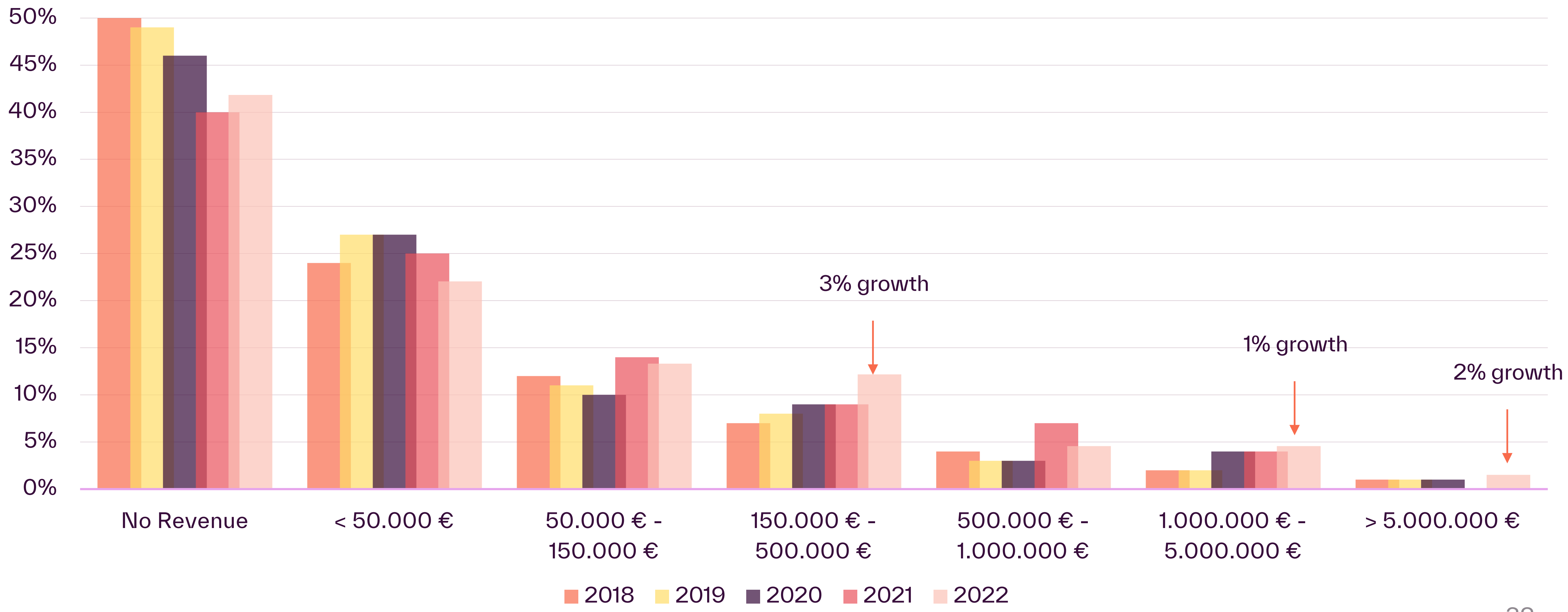


Although 48% of solopreneurs claim not to have revenues yet, 17% of those who do have revenues claim to already have positive EBITDA compared to 9% of team-founded startups.

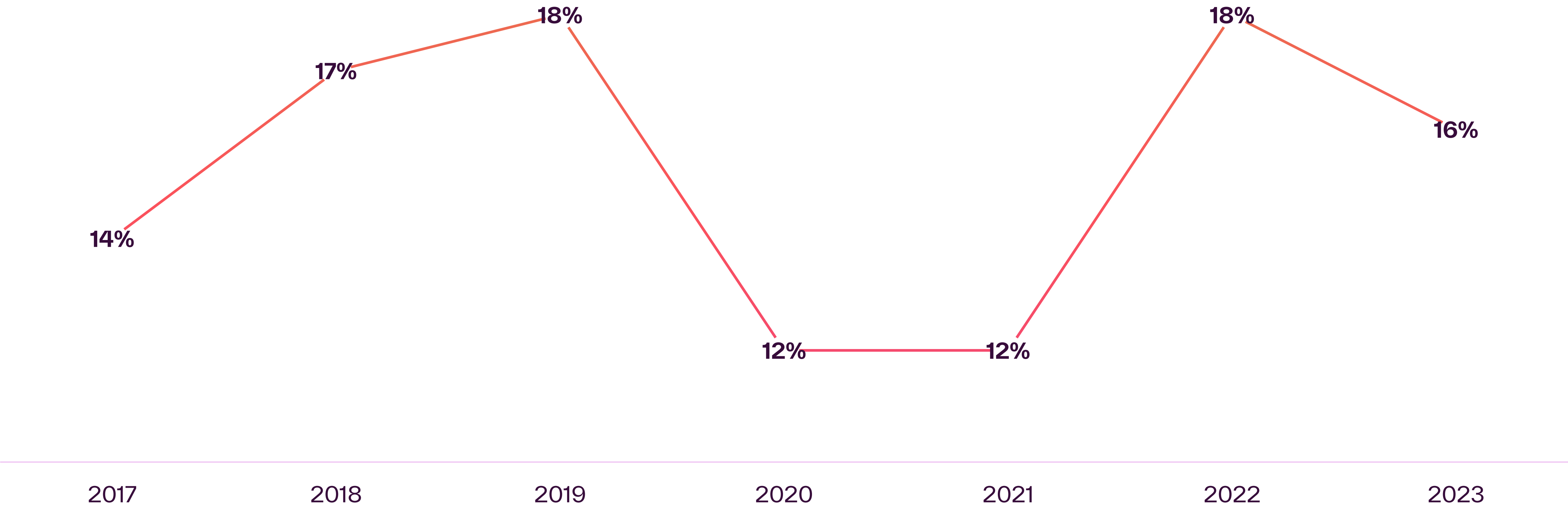
ACTUAL REVENUES EVOLUTION SPAIN | 2018 - 2022



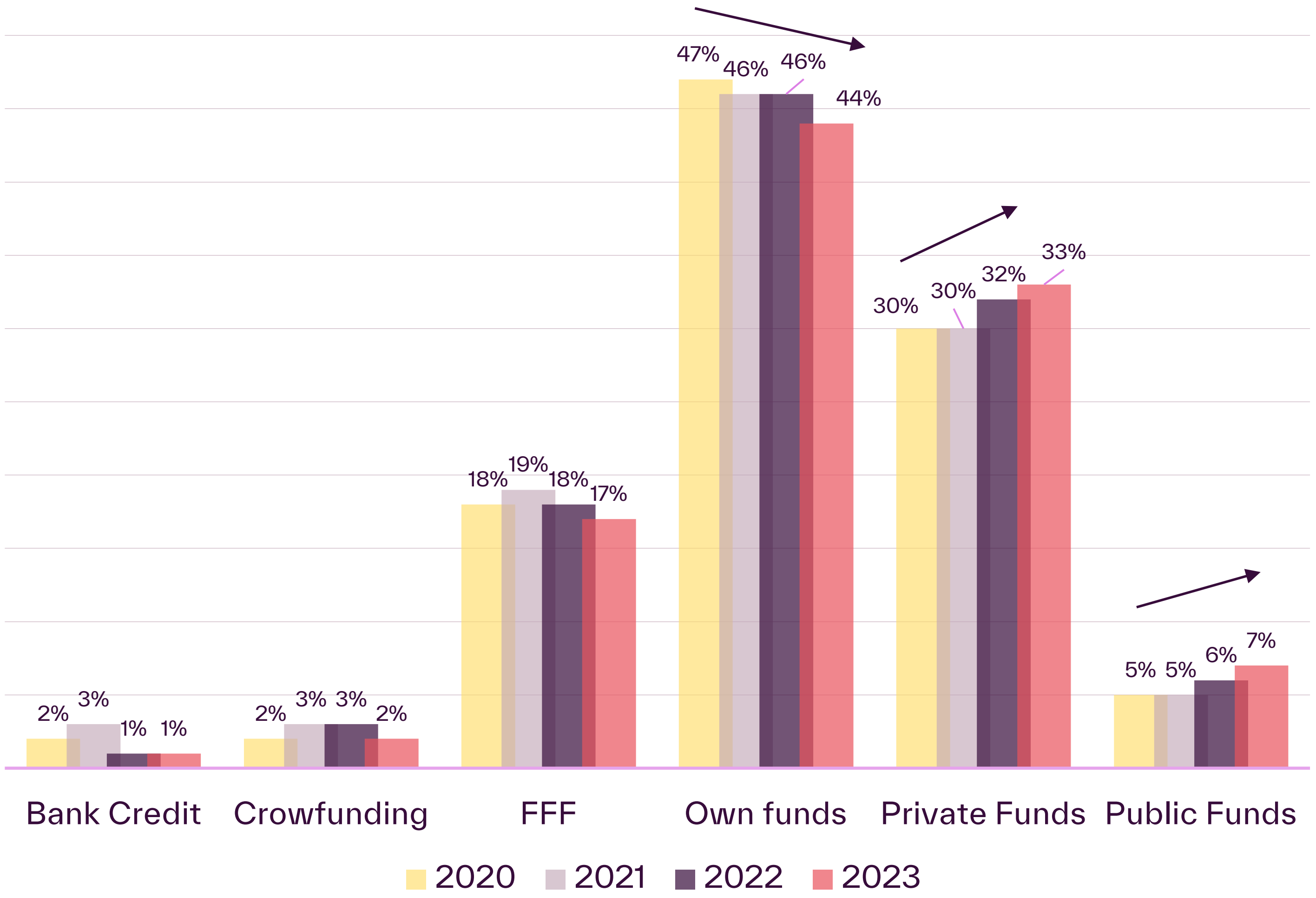
ACTUAL REVENUES EVOLUTION SPAIN | 2018 - 2022

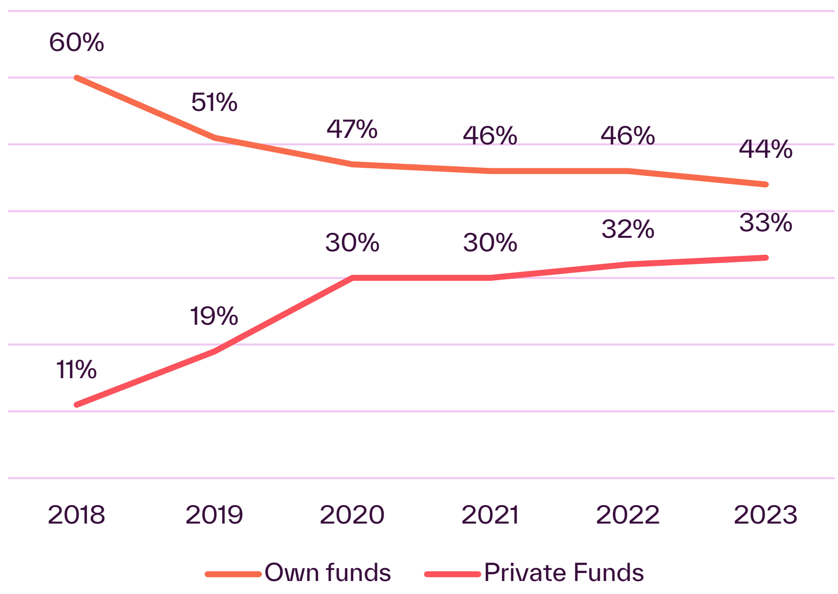


EBITDA EVOLUTION SPAIN |
Evolution 2017 - 2022

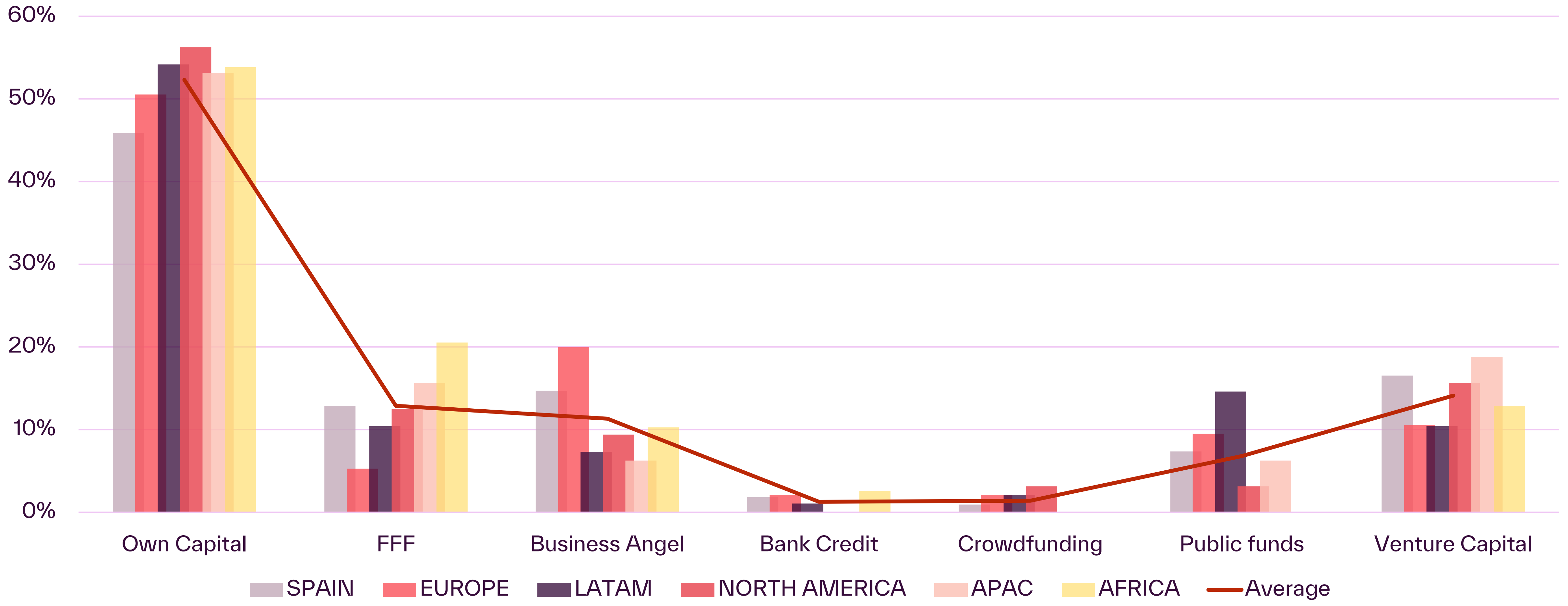


FIRST FINANCING | Evolution Spain
2018 - 2023





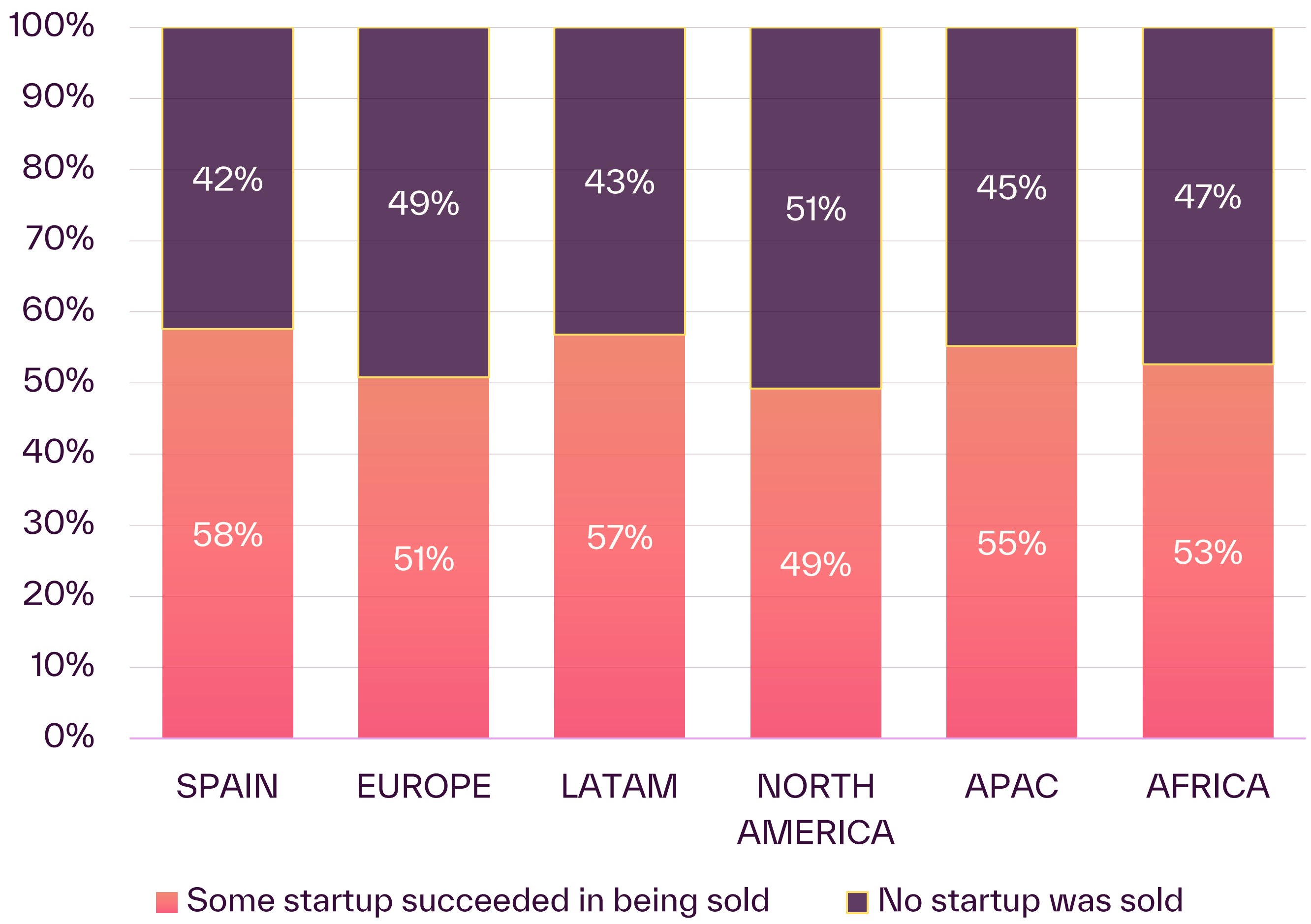
FIRST FINANCING | Startup sales



STARTUPS WITH PATENTS per region

Spain remains behind in patent issues with respect to almost all regions.

STARTUP SALES per region



Spain leads in startup sales, reaching almost 60% "success".

/ COMMUNITY OF MADRID

Madrid startup profile

- Madrid startups have been in operation for an average of 3.12 years. 73% expect to hire in the next year, 4% above the rest of the country.
- **Madrid as a place to grow**: 23% of Madrid startups are already scaleups or consolidated businesses, compared to 18% in the rest of Spain.
- **Madrid leads in the service economy**: While 34% of startups outside the Community of Madrid prefer to focus exclusively on B2B, Madrid startups prefer to diversify with B2C.
- The Madrid startup has a greater focus on the creation of **experience** and less on technology as a differentiating element.
- In terms of type of entrepreneur, the Community of Madrid has **59% of serial entrepreneurs**, 4% below the rest of Spain, making it the place chosen by new entrepreneurs to start their businesses.
- 6% of Madrid startups are founded exclusively by women and 32% by mixed teams.

/ CATALONIA

Profile of the Catalan startup

- The Catalan startup has been in operation for an average of **3.19 years**, only slightly more mature than in Madrid.
- **21%** of Catalan startups are already **scaleups or consolidated businesses**, almost the same proportion as in Madrid.
- Catalonia follows the national trend of focusing on **B2B with 32%** of them focused on this business model and, like Madrid, chooses to diversify with B2C to cover more market.
- **16% of Catalan startups have patents**, and although this places it below the rest of Spain, it is still above Madrid.
- Catalonia is the region with the most startups f**ounded solely by women (9%).**
- In terms of type of entrepreneur, Catalonia has **61% of serial entrepreneurs.**
- **15%** of startups in Catalonia have a turnover **over 500k** but only 11% have positive EBITDA
- **Catalonia is the region that obtains most funding through Venture Capital** (21% compared to 16% in the rest of Spain).

/ STARTUPS THAT IMPROVE THE QUALITY OF LIFE OF PEOPLE WITH DISABILITIES

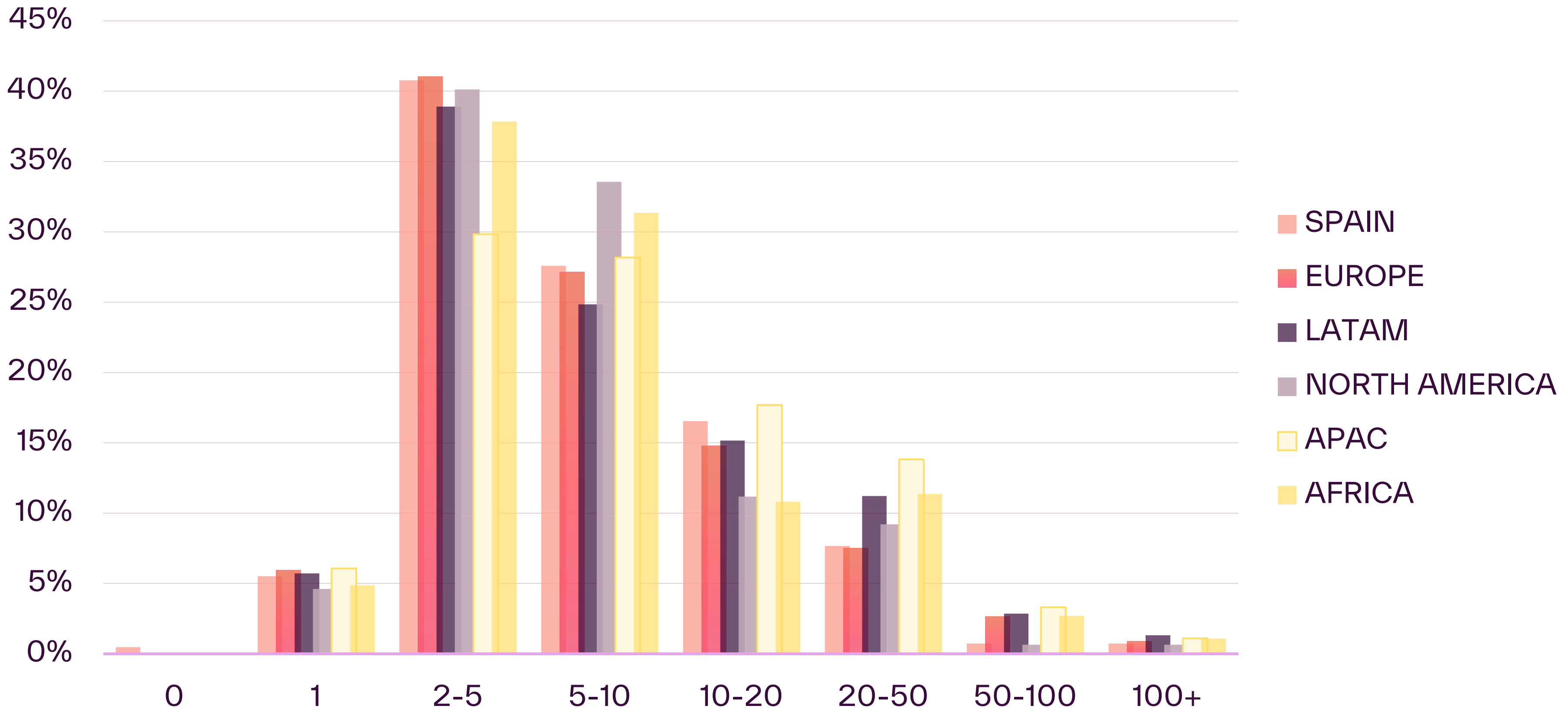
- **60% of these startups are located in the healthcare sector**, although complementary sectors such as education, accessibility and digitalization appear.
- **Among the technologies** used to help people with disabilities, **apps stand out**, followed by **artificial intelligence** in second place, and **medical technologies and IOT** in third and fourth place, respectively.
- 33% are already generating traction and 13% are scaleups, **with almost 4 years in the market and operating in at least 2 countries.**
- **Europe leads as the region** most involved in solving these market needs, followed by LATAM and North America.
- **85% of startups use software** to develop their solutions, although 58% combine it with hardware.
- In their business models, **B2B2C is the most chosen**, using the private sector to reach the end customer.
- The focus of these startups tends to be on **monitoring, accessibility improvements, inclusion and AI-driven treatments.**

03 THE ECOSYSTEM

- Industries focused on sustainability and climate change enter the top 10 of the top industries in 2023.
- AI and apps continue to lead the ranking of the most used technologies by startups globally, while geolocation and cloud technologies decline.
- Software continues to be the main offering of startups in all regions, although services have relevant weight in regions such as Spain, APAC and LATAM.
- In Spain, 49% of startups have only one type of client, with B2B being the main type, although the combination with B2C or B2B2C is quite important.
- More than 50% of startups in any region choose several business models at the same time. Those that focus on just one, tend to opt for Subscriptions or pay-per-use.
- Startups are beginning to see more clearly the need to find technological or management support and talent, in addition to the usual concerns about investment, visibility and strategic agreements.
- Startups feel less tax pressure than in 2022.

JOB CREATION

Per region



Most startups have between 2 and 5 employees.

Average number of new hires in the last year per region.

LATAM	7
EUROPE	6
SPAIN	4
APAC	7
AFRICA	7
NORTH AMERICA	5

TOP 10 INDUSTRIES

2023 2022

				2023	2022
1	-0.8%	↓	Fintech	6.5%	7.3%
2	+0.2%	↑	Healthcare	6.4%	6.2%
3	-0.5%	↓	Software development	5.1%	5.6%
4	+2%	NEW	Green business	5%	3%
5	-2.4%	↓	Education	4.0%	6.4%
6	+0.9%		AgroTech	3.8%	2.9%
7			Social impact	3.6%	3.6%
8	0.3%	↑	Data and analytics	3.5%	3.3%
9		NEW	Service Provider	3.1%	3%
10		↓	Productivity Services	3.1%	3.3%

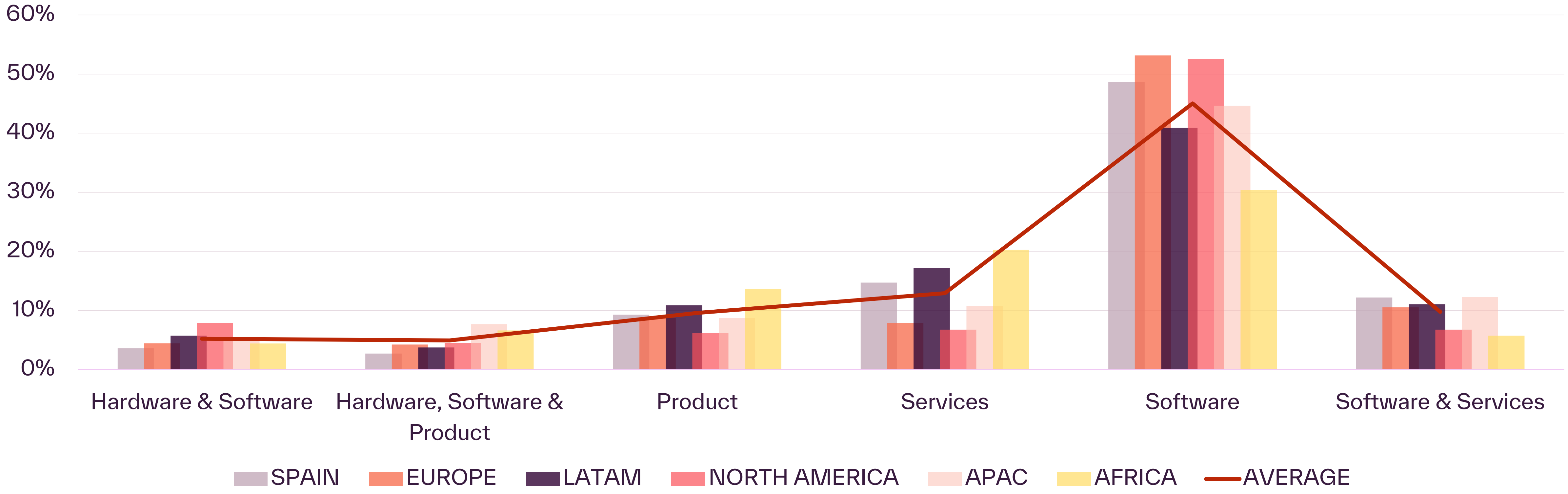
TOP TECHNOLOGIES by region | Comparison 2022

	SPAIN		EUROPE		LATAM		NORTH AMERICA		APAC		AFRICA	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
ARTIFICIAL INTELLIGENCE	25%	20%	27%	28%	18%	26%	27%	28%	27%	25%	12%	23%
DIGITAL & APPS	24%	26%	23%	21%	21%	22%	21%	21%	18%	23%	24%	29%
BLOCKCHAIN	9%	8%	6%	6%	8%	8%	8%	7%	6%	7%	5%	4%
APIS	6%	7%	8%	8%	6%	8%	5%	8%	3%	6%	6%	9%
BIG DATA	9%	8%	4%	7%	6%	6%	3%	5%	5%	6%	6%	4%
CLOUD	7%	8%	4%	6%	5%	8%	2%	7%	5%	5%	3%	8%
IOT/IOE & SENSORS	3%	4%	4%	5%	5%	4%	3%	3%	5%	6%	5%	7%
BIOTECH	3%	2%	2%	4%	5%	4%	2%	2%	4%	4%	2%	3%
HUMAN-COMPUTER INTERACTION	1%	2%	2%	2%	2%	3%	5%	3%	0%	2%	8%	1%
MEDICAL TECHNOLOGIES	3%	2%	1%	2%	2%	1%	3%	2%	3%	2%	3%	1%
VIRTUAL REALITY	3%	2%	2%	1%	3%	1%	1%	2%	2%	2%	2%	2%
GEOLOCATION	1%	2%	2%	1%	2%	3%	2%	2%	1%	2%	1%	2%
AUGMENTED REALITY	2%	1%	2%	1%	1%	0%	0%	2%	2%	3%	1%	2%

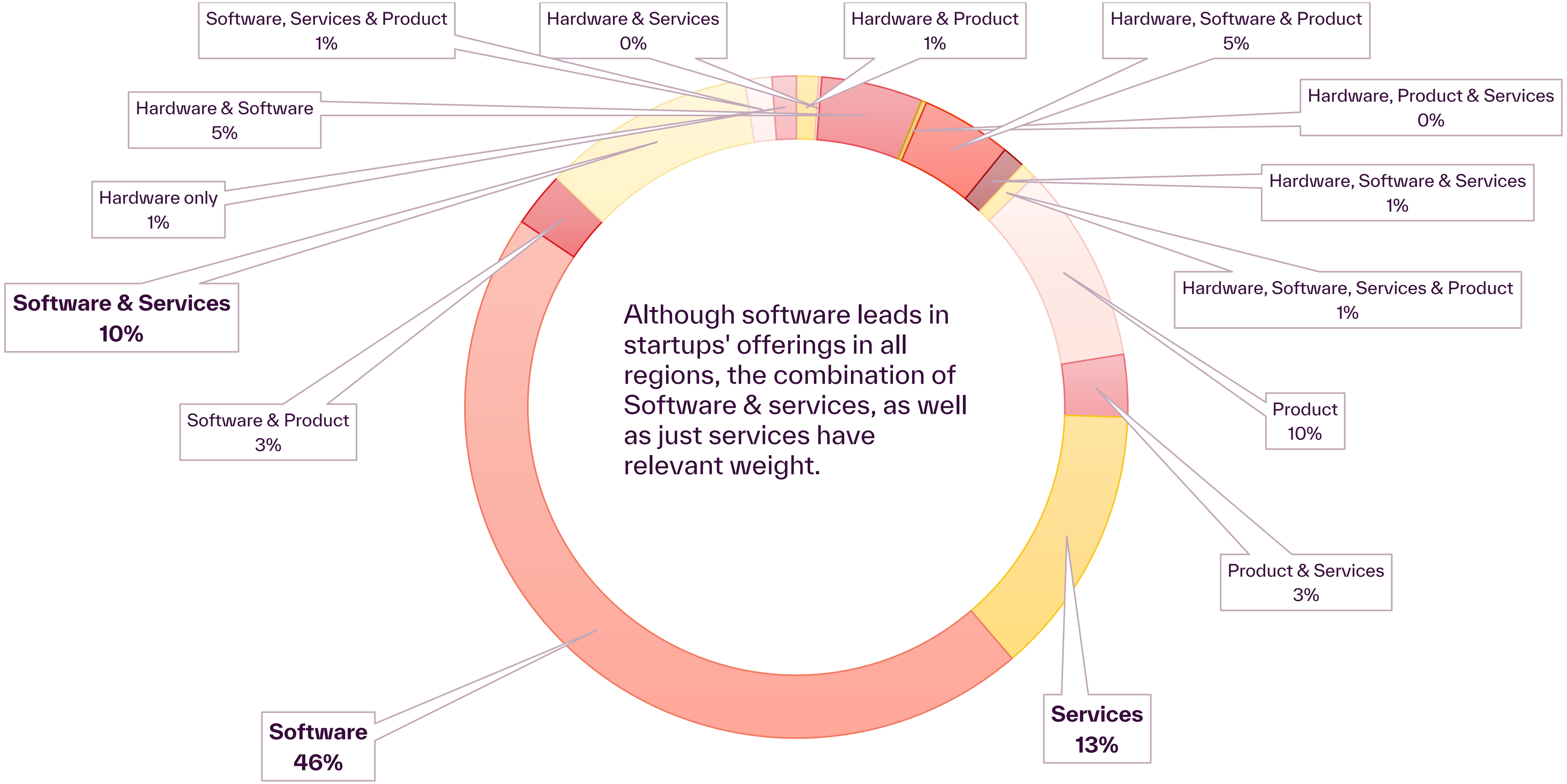
TYPE OF PRODUCTS | SERVICES

Per region

Software remains the core business of most startups in any region. However, it is increasingly common to see an experientialization of it, combining it with other forms of product/service.

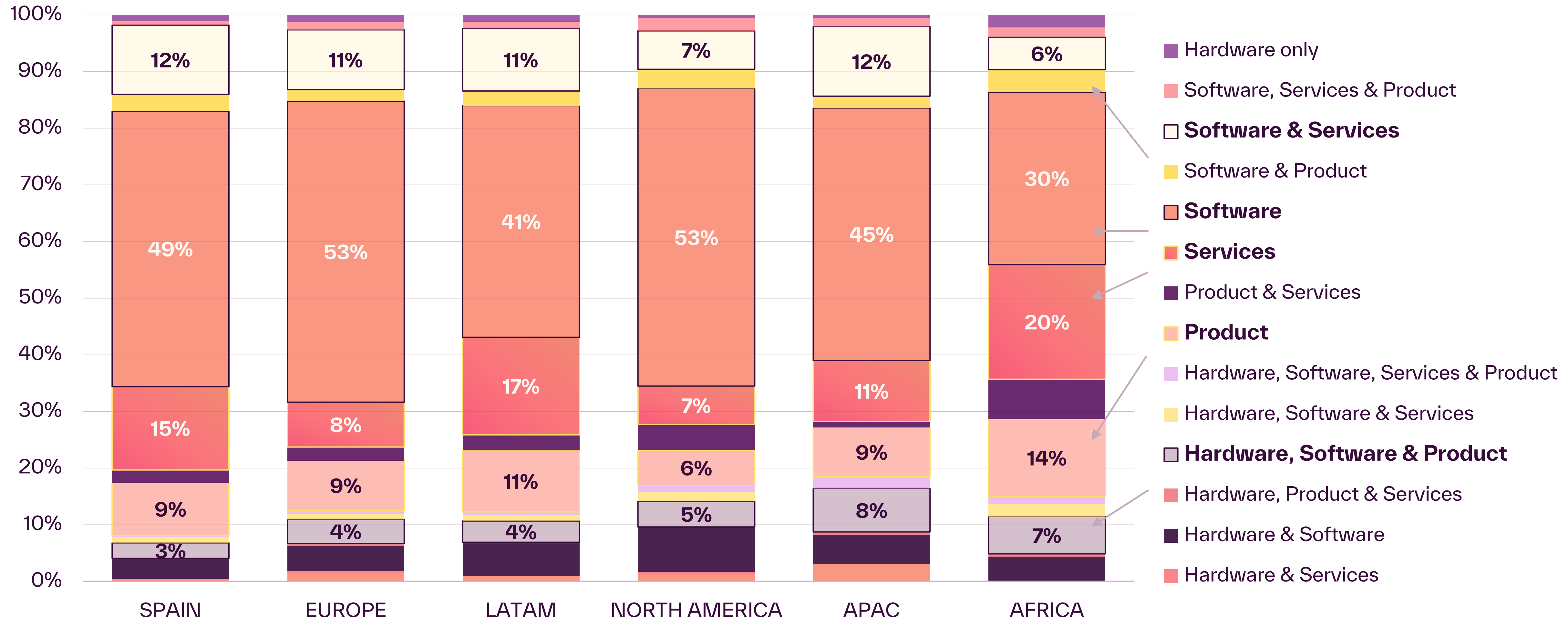


TYPE OF PRODUCTS | SERVICES



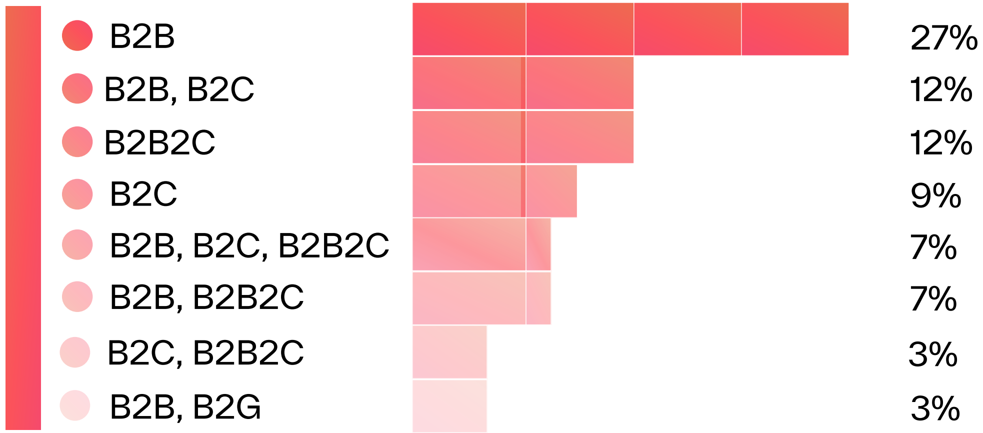
TYPE OF PRODUCTS | SERVICES

Per region



CUSTOMER TYPE AND BUSINESS MODEL

Global



27% of startups find it worthwhile to target exclusively enterprises although 24% are looking to combine this with direct customers.

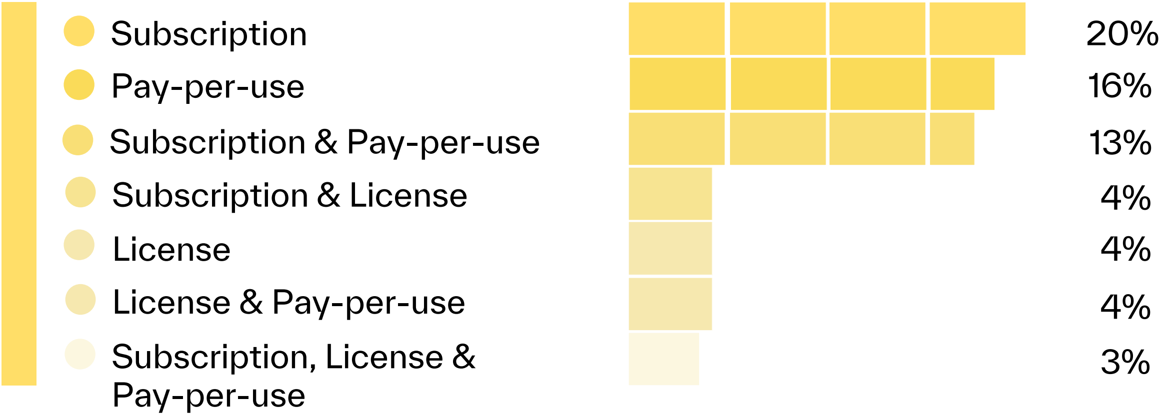
Only 9% of startups target their products or services only to end-consumers.

P2P startups represent less than 1% and B2G startups represent less than 0.5%.

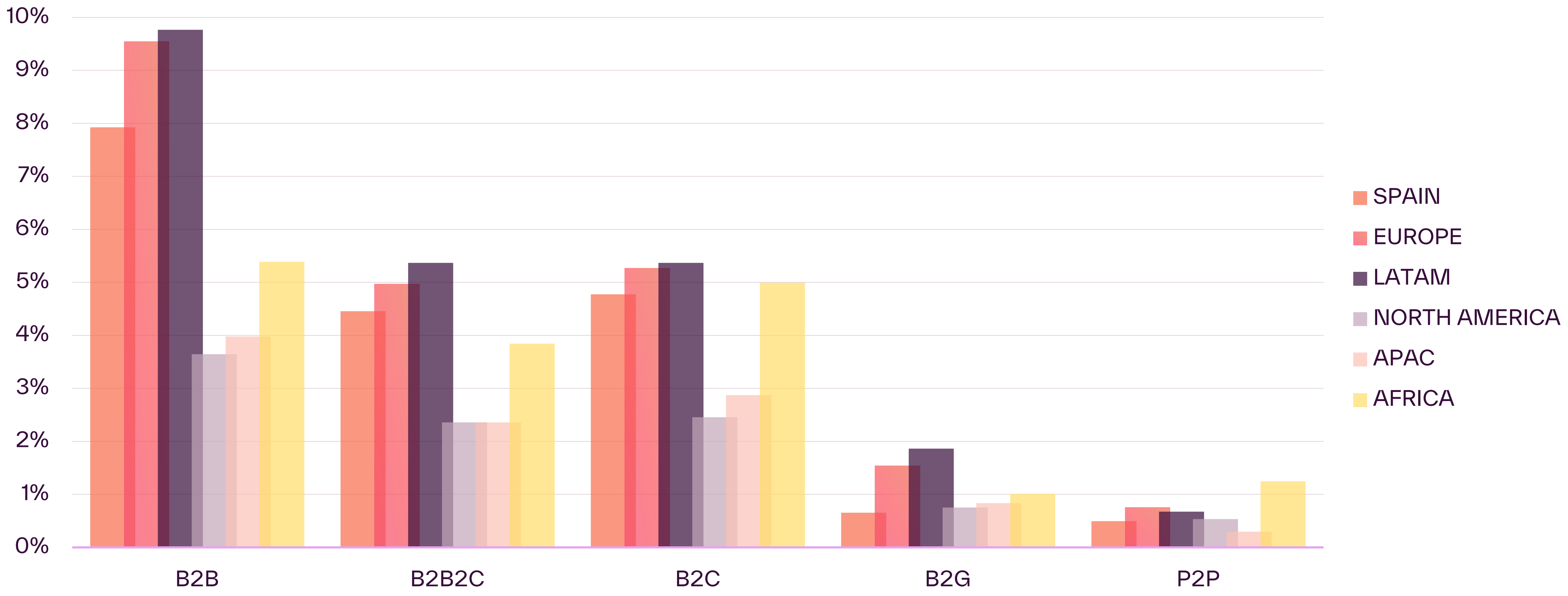
Although 20% have subscription as their only revenue model, another 19% have found the perfect formula combining it with other media.

Pay-per-use or transactional payment is the next most selected model by startups, representing 36% if combined with other revenue sources.

Advertising and lead generation are losing ground, accounting for just 1% each.

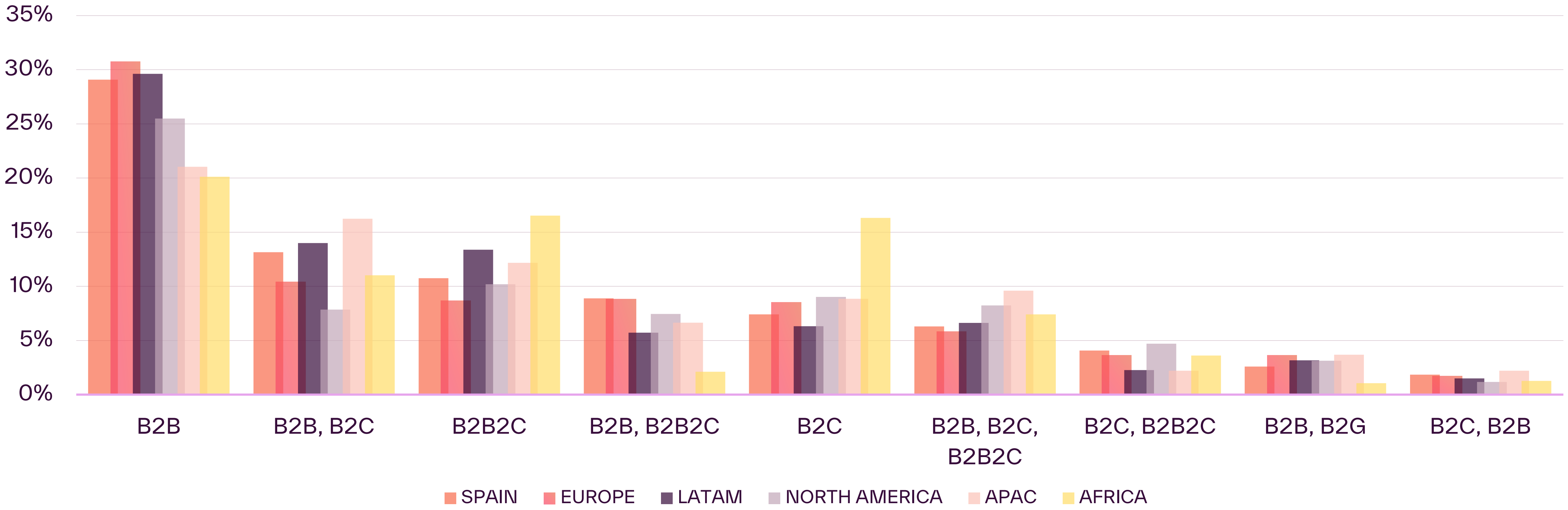


TYPE OF CUSTOMER per region

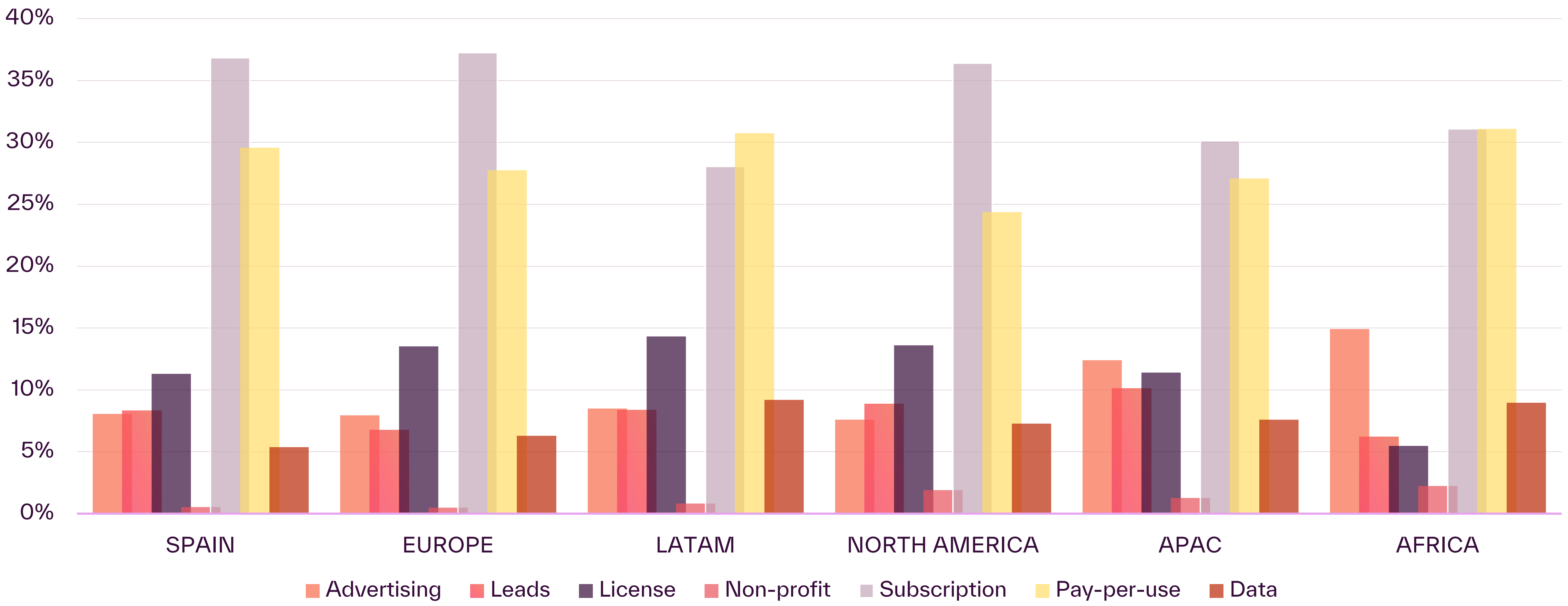


TYPE OF CUSTOMER per region

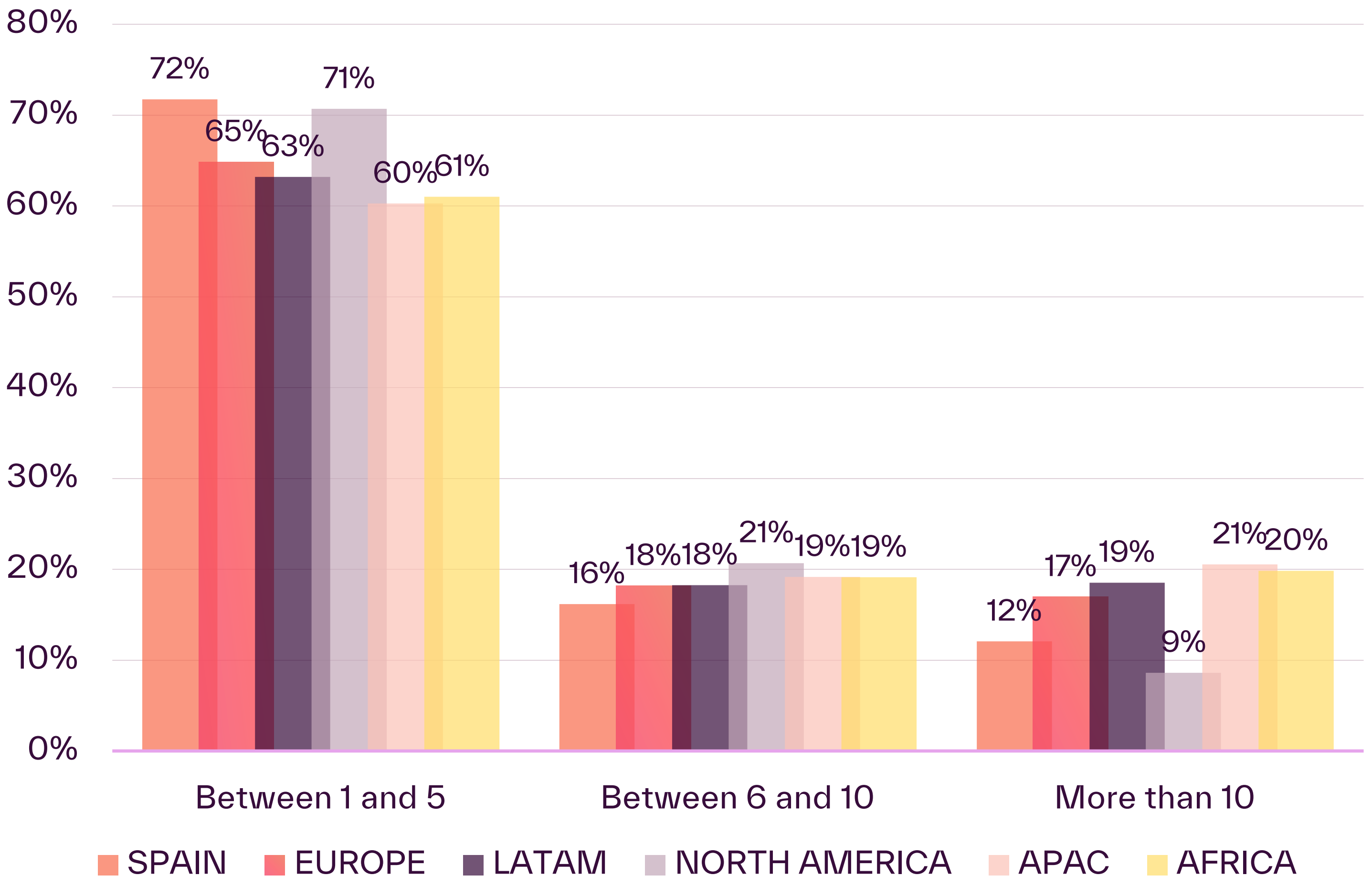
Combinations of B2B with B2C or B2B2C are usually the most chosen by startups in any region.

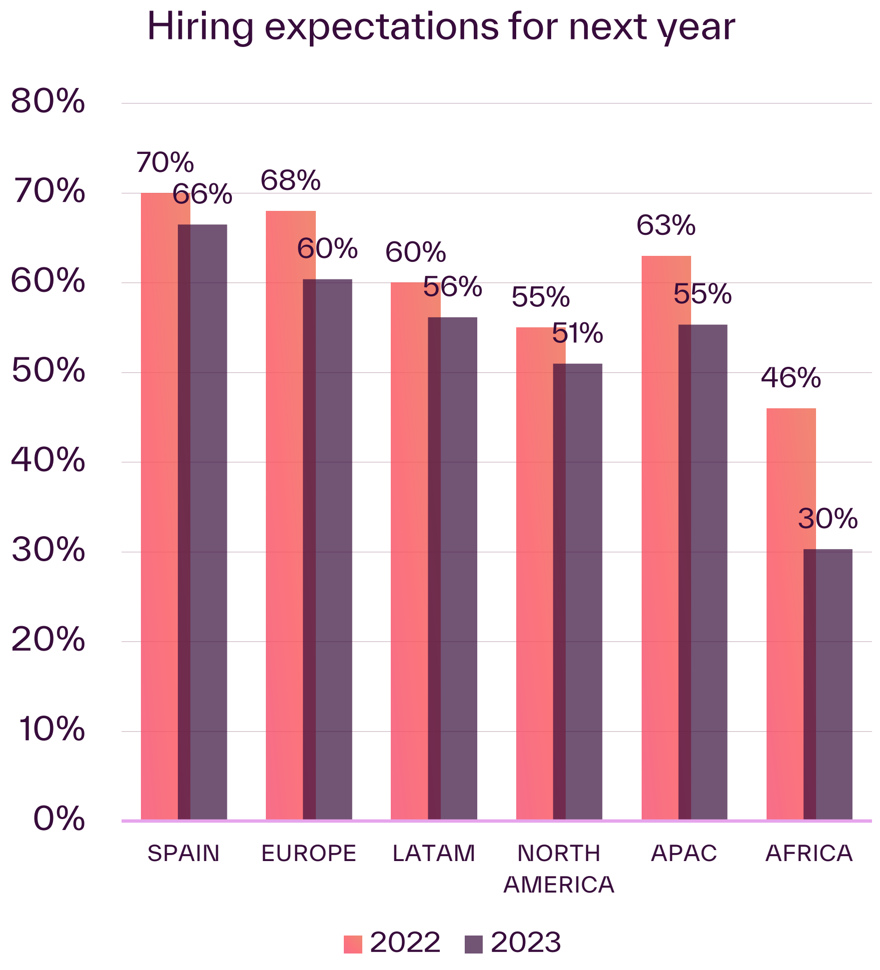


BUSINESS MODELS by region



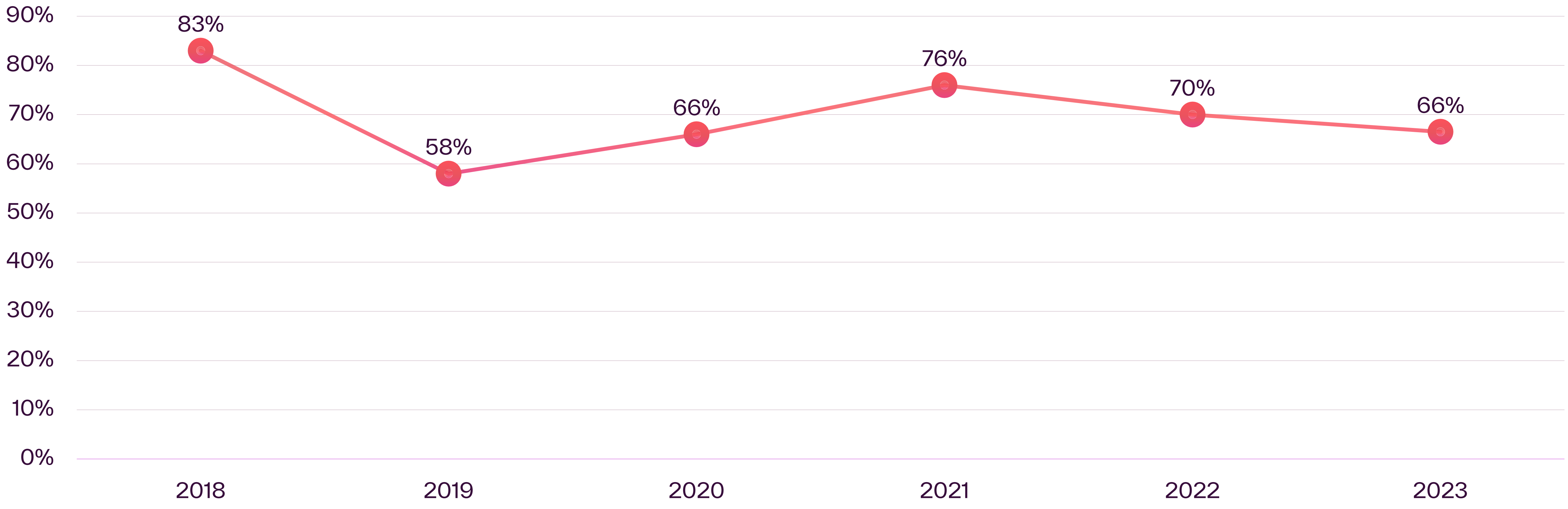
NUMBER OF EMPLOYEES HIRED
in 2022





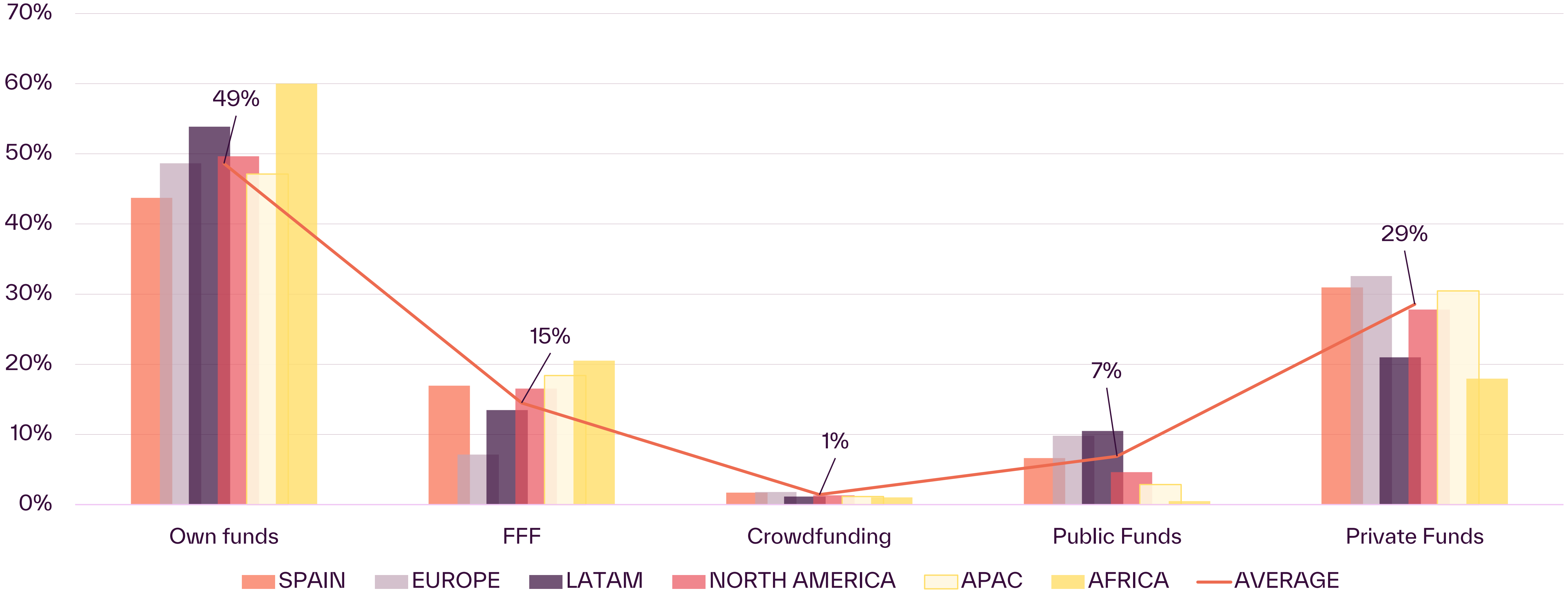
EVOLUTION OF HIRING PROJECTIONS

Spain

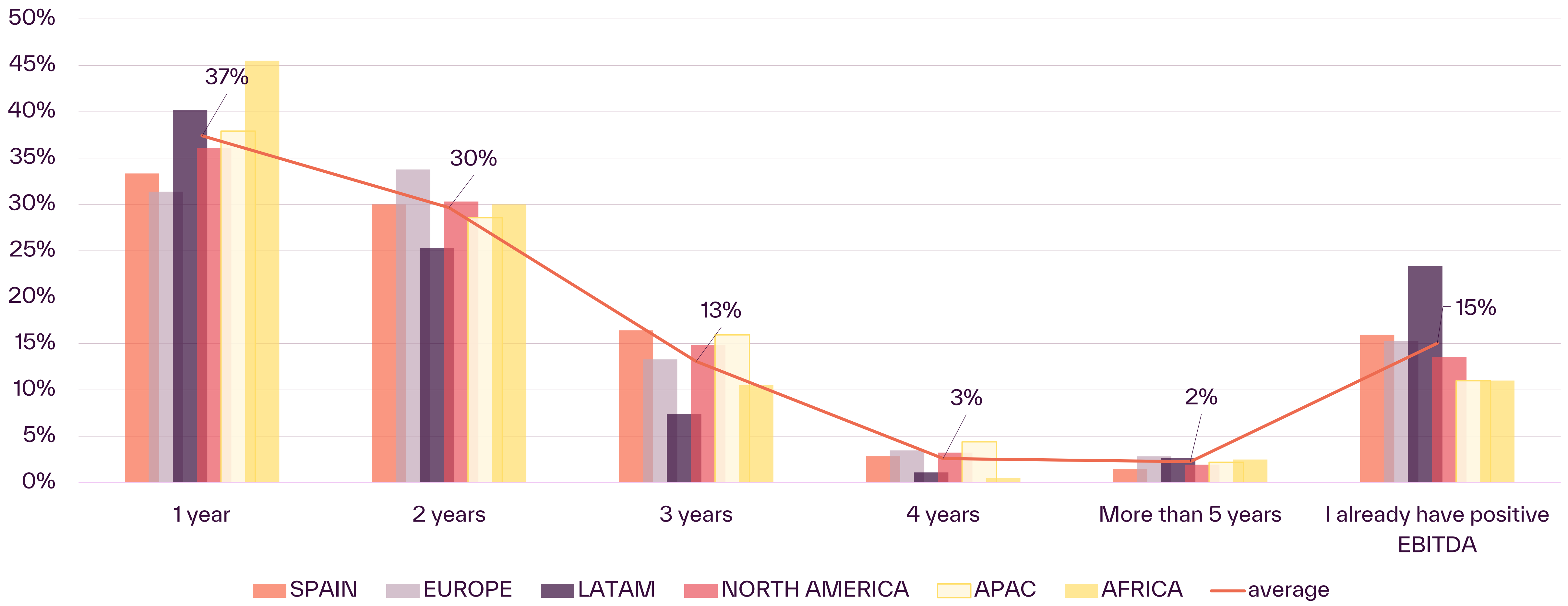


Percentage of companies that expect to hire in the next year in Spain

ANALYSIS OF FIRST SOURCE OF FINANCING by region



EBITDA by region



MAJOR INDUSTRIES with positive EBITDA

GLOBAL

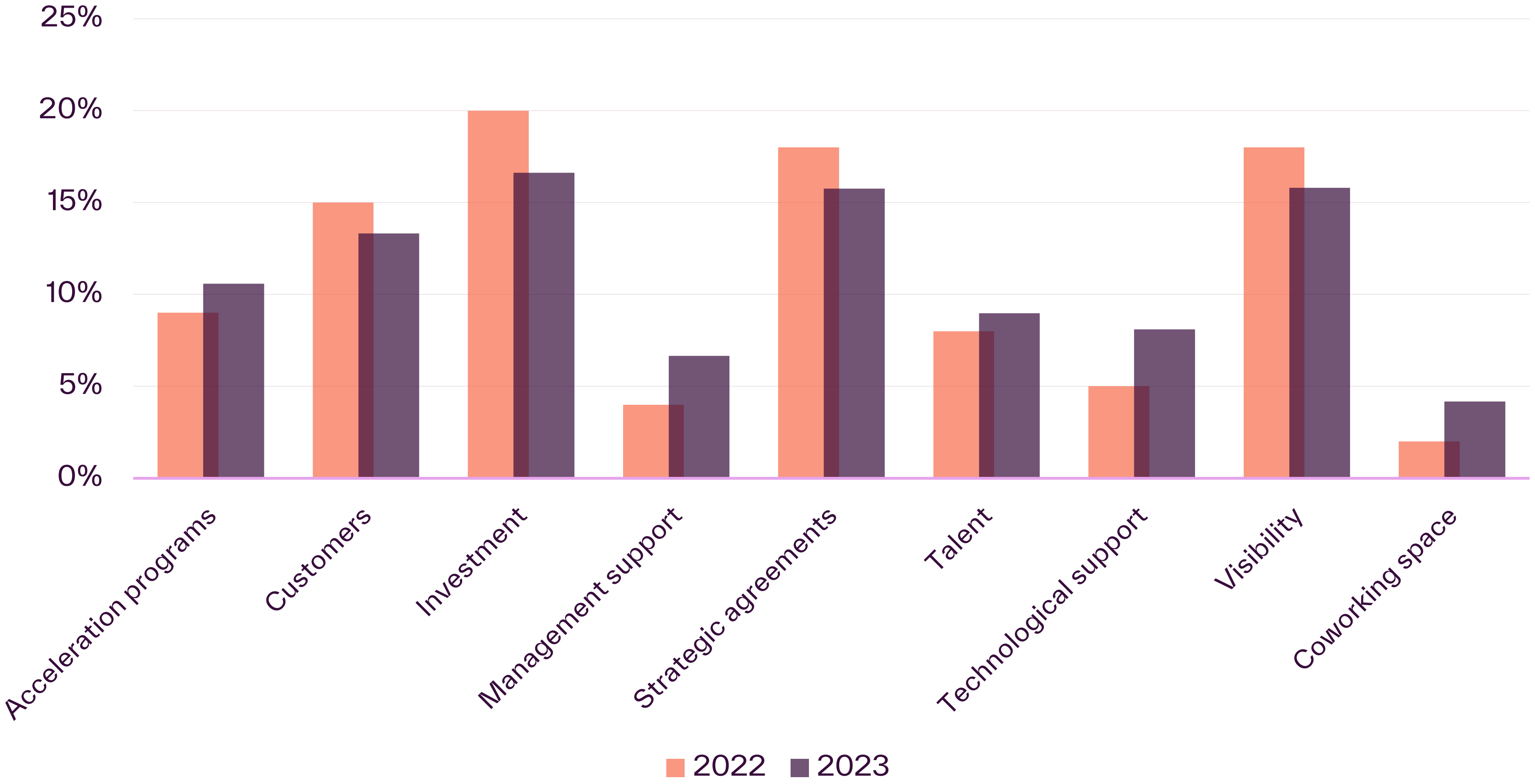
DIGITAL AND PROFESSIONAL SERVICES	23%
AGRICULTURE, INDUSTRY AND MANUFACTURING	13%
FINANCIAL, LEGAL AND INSURANCE SERVICES	10%
HEALTH AND LIFE SCIENCES	9%
SOCIAL AND SUSTAINABLE IMPACT	7%

SPAIN

DIGITAL AND PROFESSIONAL SERVICES	24%
HEALTH AND LIFE SCIENCES	12%
TRANSPORTATION AND LOGISTICS	12%
FINANCIAL, LEGAL AND INSURANCE SERVICES	10%
COMMUNICATION, MEDIA AND ENTERTAINMENT	7%

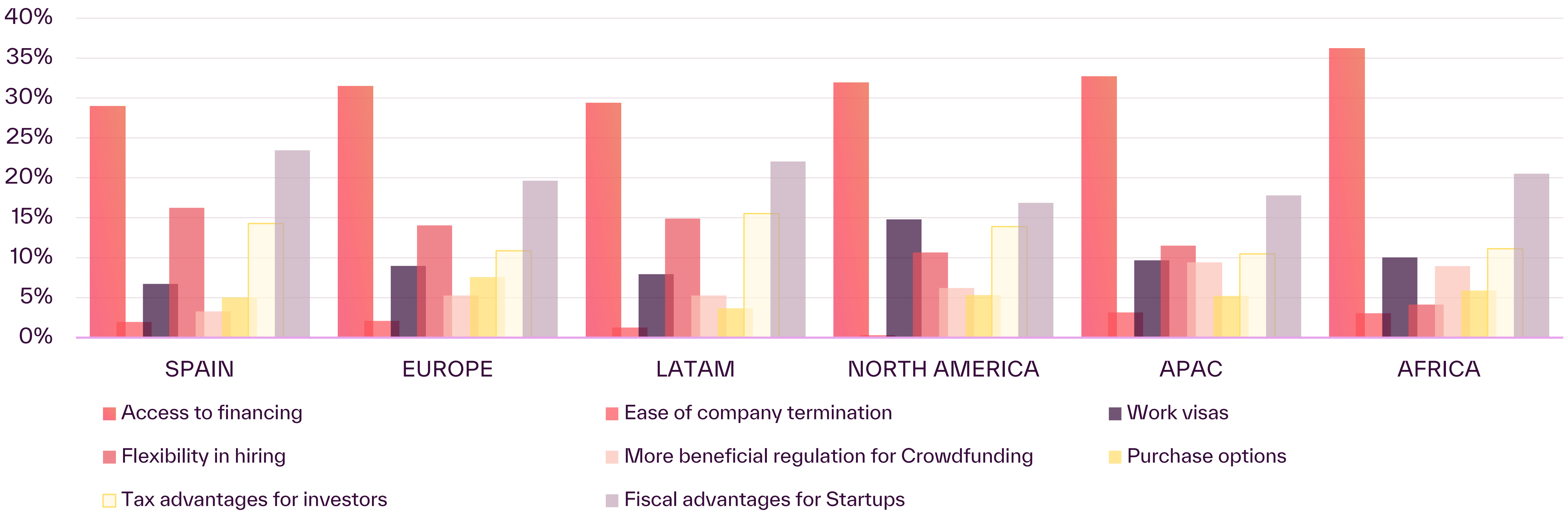
WHAT ARE STARTUPS LOOKING FOR?

Global situation



Although investment, strategic agreements and visibility are still the main concerns for startups, we are beginning to see a growth in other issues such as technological support, management and talent.

OPPORTUNITIES FOR IMPROVEMENT | Per region



In Spain, while access to funding has gained 3 percentage points compared to 2022, taxation for startups seems to have lightened, dropping 4% compared to last year.

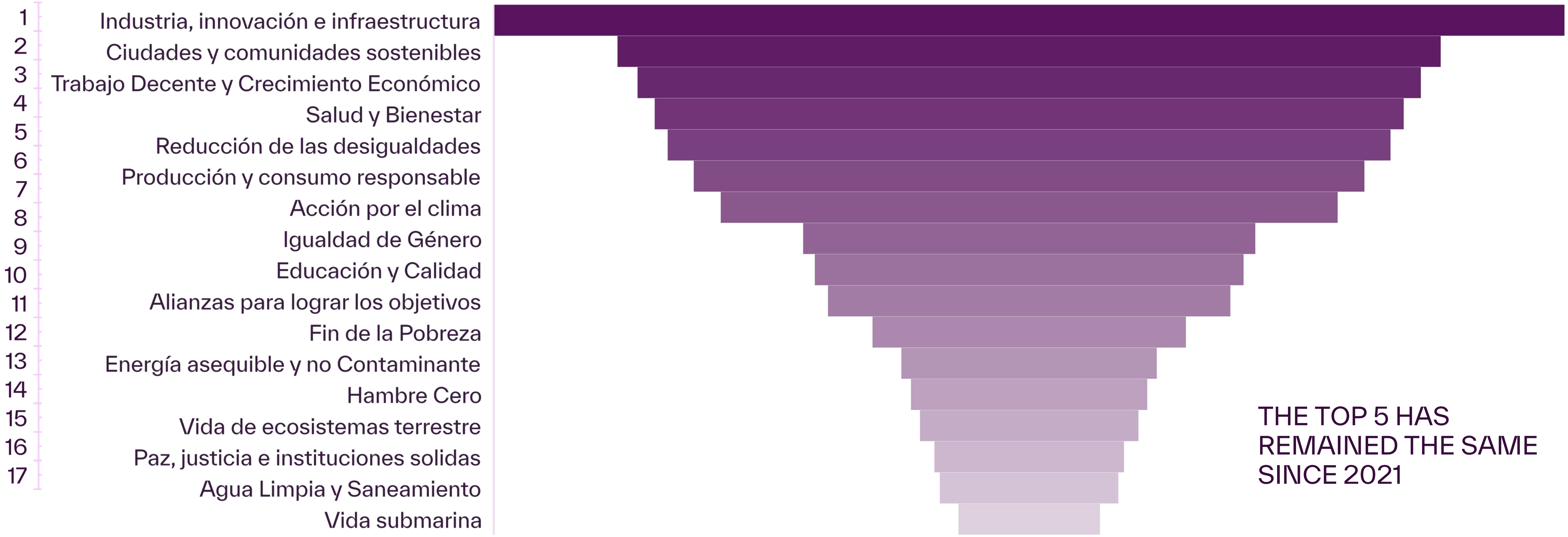
SUSTAINABILITY : Development objectives

	TOP INDUSTRIES	POSITION COMPARED TO 2022
1	HEALTH	+ 1
2	FINTECH	- 1
3	SOFTWARE DEVELOPMENT	+ 2
4	AGROTECH	+ 2
5	DATA & ANALYTICS	+ 2
6	EDUCATION	- 3
7	SOCIAL IMPACT	- 3
8	SERVICE PROVIDERS	+ 3
9	PRODUCTIVITY SERVICES	+ 8
10	GREEN BUSINESS	=

- Although on average a startup seeks to achieve 3 sustainable development goals, most seek to focus on only one.
- Healthcare and Fintech continue to lead the top industries most focused on ESGs.
- The top 5 most sought after development goals remains the same since 2021:

SUSTAINABILITY : Development objectives

Top 5 global



THE TOP 5 HAS REMAINED THE SAME SINCE 2021

04 CONCLUSIONS

THE SPANISH ENTREPRENEUR

/ Spain is a demanding market for highly qualified entrepreneurs, with Master's and/or PhD training.

/ The 80/20 ratio for men and women is immovable and has hardly changed in 10 years.

/ Women serial entrepreneurs are almost 20% less than men.

/ One third of serial entrepreneurs have formed more than 3 startups.

THE STARTUP

/ Growing maturity, with startups with more years of traction in the market.

/ Accelerated registration process, moving quickly from concept stage to company incorporation.

/ Growth in mixed and compact founding teams (less than 3 founders).

/ Continued downward trend in first financing with own resources, with private investment increasing proportionally, although public investment appears with greater strength.

/ Unfavorable gap for Spain in patents compared to almost all geographies, except Africa.

MADRID

- Madrid leads the way in the service economy thanks to its diversification
- Greater emphasis on experience than on technology.
- Capacity to attract new entrepreneurs.

THE ECOSYSTEM

/ Spain achieves growth in technologies such as artificial intelligence, almost reaching Europe, although there is still much presence of other more mature technologies such as Big Data or Cloud.

/ Experientialization of software, appearing not as a single type of product, but in combination with others as Services.

/ Startups are no longer only concerned about funding or strategic agreements, complementary capabilities appear such as technological support, management or talent in their relationship with the ecosystem.

/ Everything related to "Green Business" enters strongly and reaches first positions in the top of industries.

/ Support for sustainability is consolidated and appears in new sectors, especially services.

05 OPPORTUNITIES

/ Betting on serial female entrepreneurs to strengthen the female presence in the ecosystem.

/ Incorporate more technology through startups with patents.

/ Add management and technological capabilities to those of financing.