

SPANISH VENTURE CAPITAL BEATS ALL-TIME RECORD-HIGHS

The investment activity that has characterised the last few years is maintained

- Spain's attractiveness: The investor appetite of international funds, which have abundant liquidity and remain interested in the Iberian country, continues. They contributed more than 75% of the volume invested in the first half of the year.
- Despite the still complex economic context, investment activity was notable in terms of the number of transactions (394).
- Fundraising by domestic private investors amounted to €693m. For the first time, fundraising by Venture Capital vehicles exceeded that of Private Equity.
- Venture Capital surpassed all record highs, partly due to the high number of tickets above €10M.

Madrid, 20 July 2021 - According to the first estimates obtained by the Spanish Venture Capital & Private Equity Association (ASCRI), through the European platform EDC, the volume of investment in Spain reached **€2,056.8M** in the first half of the year in a total of **394** investments, 27% more than in the same period of 2020. Venture Capital has surpassed all record highs, with **€731M in a total of 316 investments**.

Aquilino Peña, President of ASCRI, said: "International investors continue to bet on Spain, which shows that, despite the uncertainty of this period, our country remains attractive and the Venture Capital & Private Equity industry maintains part of the investment pattern that has characterised recent years since the recovery".

According to the type of investor, the investment appetite of **international funds**, both Private Equity and Venture Capital, which have abundant liquidity and remain interested in Spain, has been maintained. In the first half of the year, they contributed more than 75% of the total volume invested in Spanish companies (maintaining the weight of recent years). The number of investments remains at record highs (in 10 years they have gone from closing 28 investments (record of the first half of 2011) to 96 in the first half of 2021). The interest in Venture Capital stood out (69 investments) as well as the maximum number of investments in Private Equity (27). Domestic managers slightly increased investment volume (€482M in 1H 2021 vs. €463M in 1H 2020) in 298 investments in Spanish companies.

By size of investments, the **middle market** continues to be very active and this year has maintained the dynamism of recent years, both in terms of volume (€805M) and number of transactions (31 estimated investments). Until two years ago, this segment was led by national Private Equity managers, and now it is divided between national and international managers and with a high presence of Venture Capital in this first half of the year.

Eliminating the impact of large deals (€750M in 1H2021) on total investment (€2,056M), investment in tickets below €100M grew, reaching a **peak in investment volume in investments between 0 and €100M** (€1,306.8M).

Venture Capital has surpassed all-time highs, partly due to the high number of tickets above €10M that contributed to finance the large rounds of Job&Talent, Wallapop, Travelperck or Copado, which were led by international funds. New all-time high in late stage Venture (€530M in 1s 2021 vs. €83M in 1s 2020). International Venture Capital again recorded record highs in investment (€588M). These figures highlight the maturity and strength of the technology ecosystem, with increasingly innovative projects with an international vocation.

The **sectors** that received the highest volume of investment were IT (77%), Medicine/Health (6%), Biotechnology (5%) and Energy (4%).

Raising new funds

Fundraising (funds raised by private capital firms to invest) by **domestic private investors** reached **€693M**. For the first time, fundraising by Venture Capital vehicles exceeded that of Private Equity.

Divestments

The volume of divestments recorded an estimated figure (at cost) of **€1,016.3M** in 139 divestments. Despite the economic downturn, the recognition of capital losses remains at very low levels. The most used divestment mechanism (in terms of volume) was "Sale to another Private Equity entity" (49%), followed by "Sale to third parties" (24%).

Note to the editor:

The Spanish Association of Capital, Growth and Investment (ASCRI in its Spanish acronym) represents the Venture Capital & Private Equity industry in Spain. Chaired by Aquilino Peña, it brings together more than 140 national and international Venture Capital & Private Equity firms, 90 service providers and 15 institutional investors. Its objectives include to represent the sector before the Government and institutions, to provide updated statistical information and to promote the sector's contribution to the Spanish business fabric.