TELEFÓNICA OPEN FUTURE

EUROPEAN DIGITAL FORUM

1st JUNE, 2015
VENTURE CAPITAL MARKET INSIGHTS
USA dominate the VC industry followed by Europe and China

Global annual VC investment 2007-2013 (US $ Bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>USA</th>
<th>EU</th>
<th>Israel</th>
<th>China</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>1.8</td>
<td>0.8</td>
<td>24.5</td>
<td>34.3</td>
<td>7.6</td>
</tr>
<tr>
<td>2008</td>
<td>1.8</td>
<td>2.2</td>
<td>5.7</td>
<td>33.3</td>
<td>7.8</td>
</tr>
<tr>
<td>2009</td>
<td>0.9</td>
<td>5.7</td>
<td>0.9</td>
<td>29.3</td>
<td>7.1</td>
</tr>
<tr>
<td>2010</td>
<td>0.9</td>
<td>2.8</td>
<td>7.1</td>
<td>6.1</td>
<td>1.9</td>
</tr>
<tr>
<td>2011</td>
<td>1.5</td>
<td>6.5</td>
<td>1.9</td>
<td>1.9</td>
<td>1.1</td>
</tr>
<tr>
<td>2012</td>
<td>1.6</td>
<td>5</td>
<td>6.2</td>
<td>32.8</td>
<td>1.1</td>
</tr>
<tr>
<td>2013</td>
<td>1.8</td>
<td>3.5</td>
<td>7.4</td>
<td>33.1</td>
<td>1.7</td>
</tr>
</tbody>
</table>

Source: Telefónica based on Dow Jones VentureSource, 2015.

A reality:
Europe is the second largest hotbed in the global VC ranking.

An opportunity:
The remarkable rebound in Europe has allowed a 19% rise in capital invested.

Challenge:
Europe represents only the 15% of global VC activity when the US accounts for 68% of global VC activity.
The European startup ecosystem is healthy… but mature investment opportunities are seized by non-European investors

Accumulated number of incubators and accelerators in 10 European countries

European scaleups exits by origin of buyers in 2014

Source: Telefónica based on The Accelerator and Incubator ecosystem in Europe and SEP monitor, 2015.
Government agencies dominate the VC scene in Europe, particularly in funds sized under €50m

VC Funds with Final Closing 2009-2014 – by fund Size

Source: Telefónica based on EVCA, 2015.
TELEFÓNICA IS ENGAGING PUBLIC AND PRIVATE PARTNERS TO ENCOURAGE EUROPEAN ENTREPRENEURIAL ECOSYSTEMS
Over the last years Telefónica has launched several initiatives to promote entrepreneurship and investment in technological projects…

- Telefónica Ventures: €80M invested in 8 companies.
- Wayra: Presence in 11 countries with 470 companies.
- Crowdworking: 13 spaces in 4 countries in Europe and LatAm.
- Telefónica Holdings TELCO Fund: €180M commitment.
- CIP: €234M raised for 50 companies invested.
- Think Big: +11,500 projects with presence in UK, Spain, and Latam.
- Talentum: 900 grants.
All this initiatives have been integrated in a single model which accompanies talent in all its growth phases: Open Future.
Telefónica's global entrepreneurship and innovation network, open to partners.

- **Wayra**
  - Venezuela, Mexico, Brazil, Ireland, Argentina, UK, Chile, Germany, Peru, Czech Republic, Colombia (2)

- **Crowdworking**
  - Seville (ES), Costa Rica, Cáceres (ES), Chile, Tarija (ES), Ecuador, Santiago de Compostela (ES)

- **Amerigo**
  - Chile, Brazil, Colombia, Peru, Mexico, Spain (2)

- **Telefónica Ventures**
  - USA, Israel

- **China Open Future**
  - China

- **Total**
  - 550 companies invested
  - 62 public & private partners
  - 17 different countries
  - €647M total investment committed (Telefónica & Partners)
  - €738M total amount devoted to TOF_ Initiatives
Telefonica
OPEN FUTURE
ANNEX-DETAIL OF THE INITIATIVES
Welcome to a place where your ideas come true. No matter if you are an entrepreneur, startup, or company, Open Future offers you a space to achieve this.

+ 7000 USERS
+ 40 CHALLENGES LAUNCHED
+ 2000 PROJECTS CREATED
THINK BIG & TALENTUM STARTUPS

11,500 PROJECTS HELPED
6 COUNTRIES

900 STUDENTS GRANTS
CROWDWORKING SPACES
STARTED IN FEB 2014

CHILE (1)  ECUADOR (1)  COSTA RICA (1)

SPAIN (4)  CHINA (2)
A BUSINESS OPPORTUNITY FOR THE STARTUP THROUGH TELEFONICA COMMERCIAL UNITS

TURN YOUR WIFI INTO YOUR FAVOURITE SOCIAL MEDIA MARKETING TOOL.
INTERNATIONALIZING A SOLUTION WHICH IS CORE FOR TELEFÓNICA BUSINESS

Serious Security—simpler.

With our turnkey platform, you can see results in minutes and scale quickly with low risk.

REMOVE THE COMPLEXITY FROM SERIOUS PROTECTION
INVESTING IN THE FUTURE NETWORK
TELEFÓNICA LAUNCHED OPEN FUTURE, A GLOBAL NETWORK TO FOSTER STARTUP ECOSYSTEMS WITHIN THE COLLABORATION OF PRIVATE AND PUBLIC PARTNERS.

BY MEANS OF A MODEL WHICH ACCOMPANIES TALENT IN ALL ITS GROWTH PHASES.

#1 WHERE PUBLIC AND PRIVATE PARTNERS COLLABORATE TO FOSTER LOCAL ECOSYSTEMS.

#2 WHERE UNIVERSITIES PLAY A KEY ROLE.

#3 WHERE BIG CORPORATIONS ARE CHALLENGED TO START WORKING WITH STARTUPS.