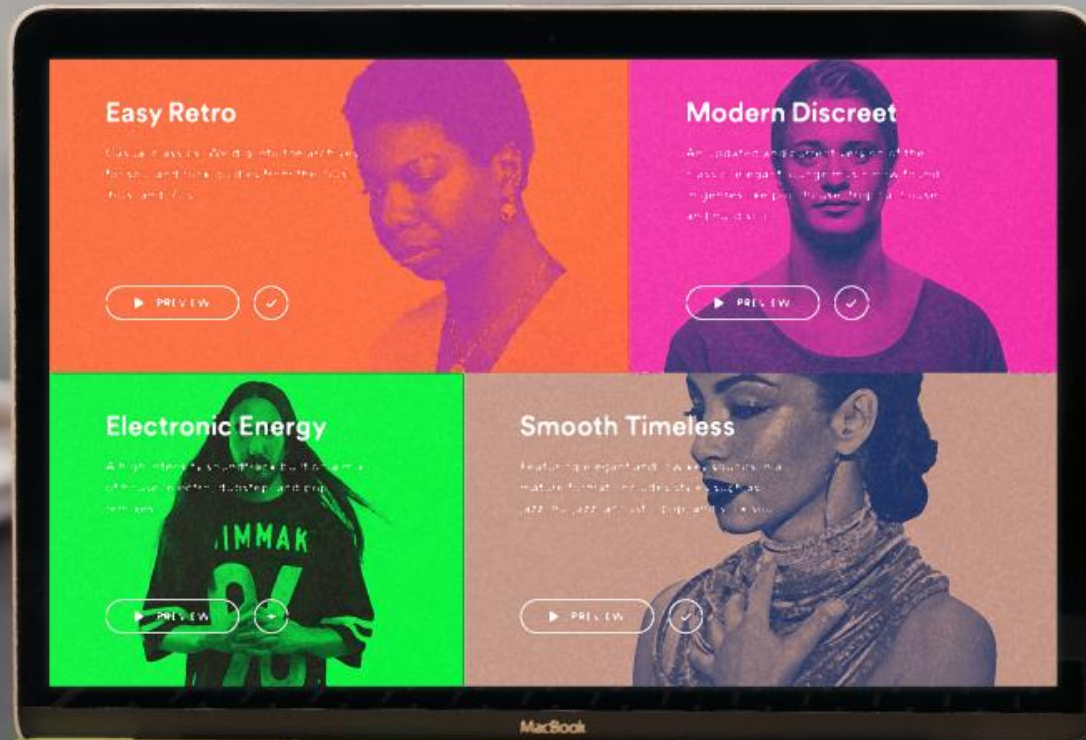




Industrifonden

Swedish Tech Funding Report Q1-Q2 2017





Industrifonden is a Nordic evergreen venture capital investor with \$500M in assets, partnering with early-stage tech and life science companies with international potential. Industrifonden-backed companies include Qlik, Arcam, Soundtrack Your Brand, Fishbrain, Qapital and Funnel

#swedishtechreport

@Industrifonden

www.Industrifonden.com

Disrupted bankers and digitized doctors – 2017 keeps the fire burning

In the first half of 2017 we experienced a continued growth in deployed capital, while last year's strong increase in number of deals leveled off. This was primarily driven by a slight decrease in seed rounds and an uptick in Series A and B rounds.

Interestingly, despite the continued growth of invested capital and the upwards shift of round sizes, the share of funding rounds with participation from international investors decreased to 15%. This is the lowest share since we started this tracking and points to a strong domestic funding climate, even for bigger size tickets beyond Series A rounds. Of the international investors that did invest in Sweden, UK investors were the most bullish and claimed the top spot for the first time, racing past their American peers.

Just like in previous years, the most popular sector for venture funding was FinTech which cemented its position in the top. More interesting to note, however, was this year's runner-up sector Digital Health, which has risen from being virtually non-existent just a few years ago to now gaining massive interest. This was manifested in Q1 through AMRA's \$9M funding from investors including Pfizer Ventures, Industrifonden and Novo Nordisk, and in

Q2 by Kry and MinDoktor's \$20M+ rounds from investors including Accel, Index Ventures and EQT Ventures.

To peg companies up for coming growth rounds, angel investors remain crucial to the ecosystem and in this edition we have taken a closer look into the space. An analysis of the 20 most active angel investors in Sweden reveals that there is plenty of smart money to go around, as a vast majority of the investors are former founders. Together they are bringing experience from raising massive VC rounds and creating a combined \$15+ billion in exit value.



Björn Bergström
Tech Investor
Industrifonden

KEY FIGURES

222 →

Funding rounds (Q3-Q4 2016: 224)

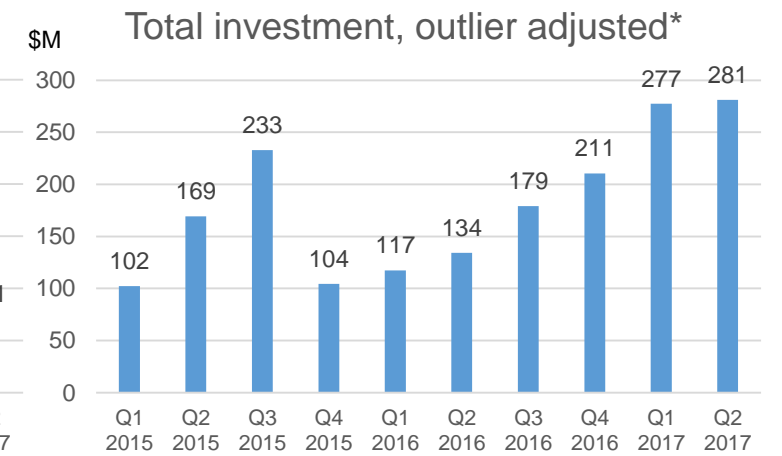
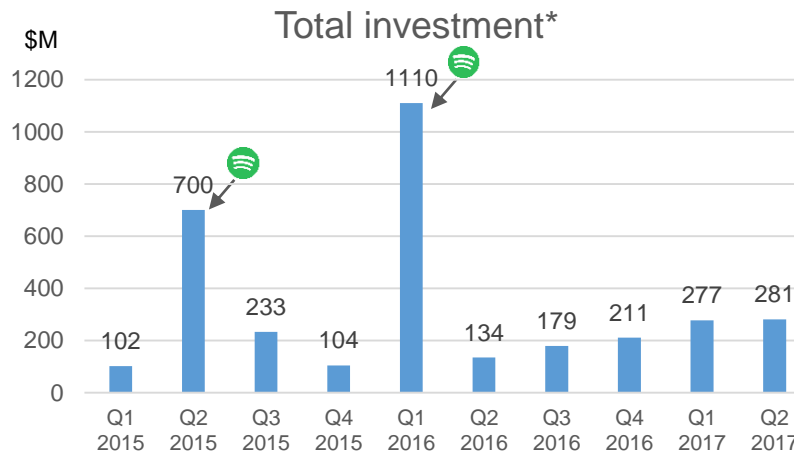
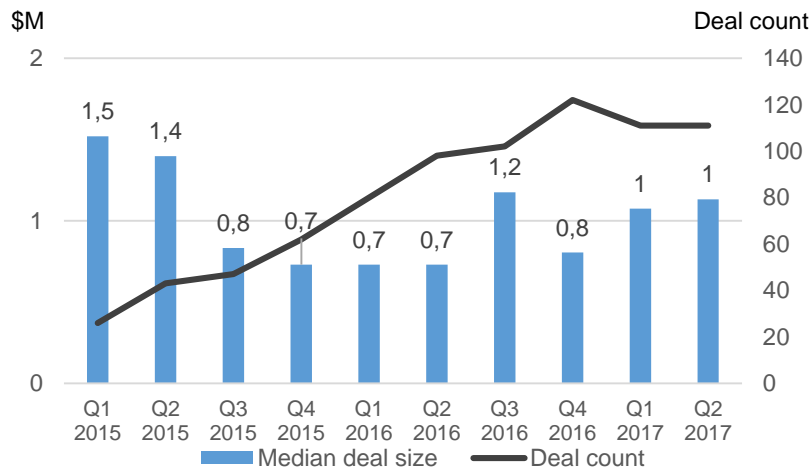
\$560M ↗

(SEK 4.9B) raised (Q3-Q4 2016: \$390M)

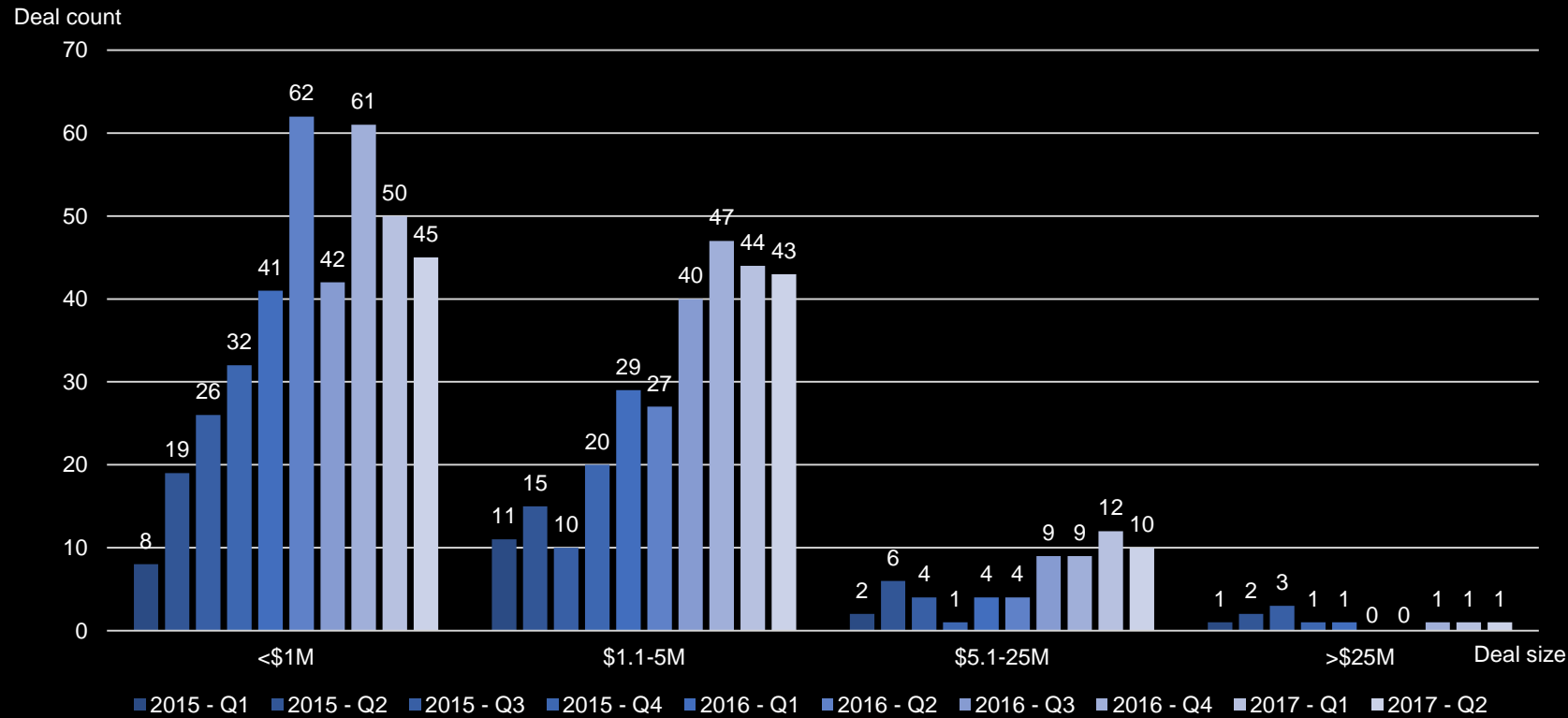
340 →

Active investors (Q3-Q4 2016: 349)

Stabilized levels in number of rounds – continued increase in invested capital



Early stage has stabilized after previous years' explosive growth – later stage sees slight increase



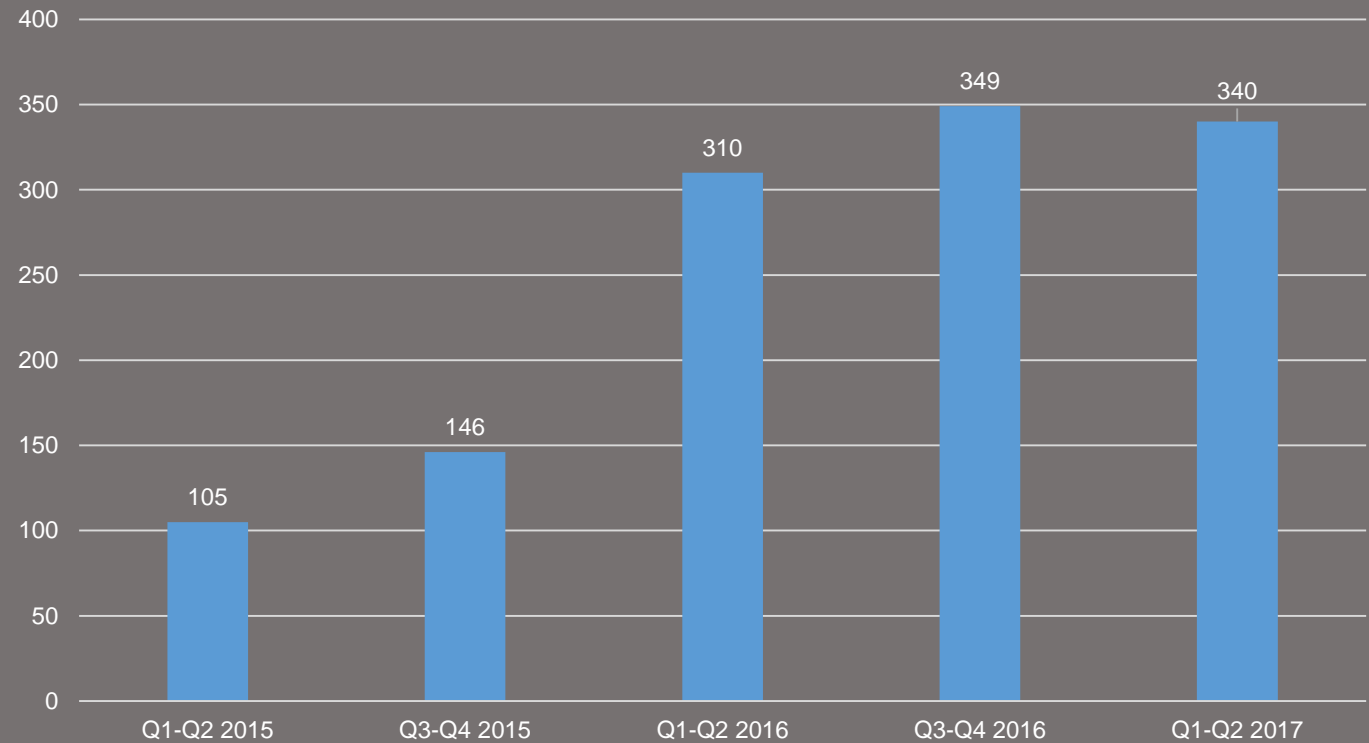
-3%

Change in active investors Q1-Q2 2017 compared to Q3-Q4 2016

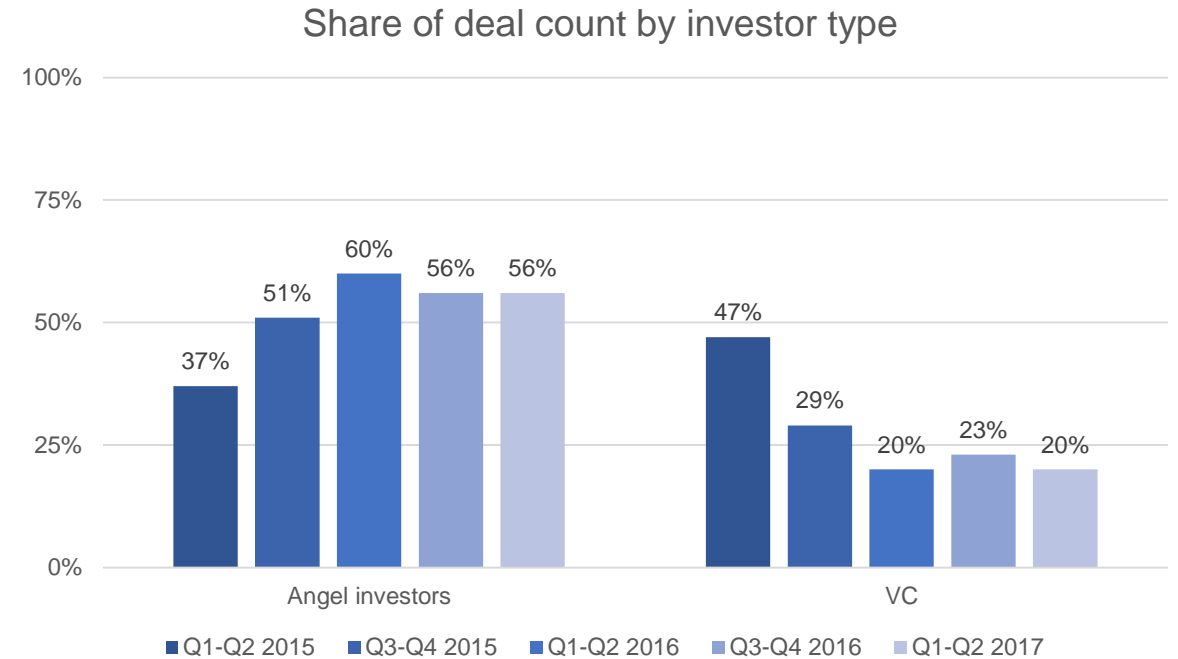
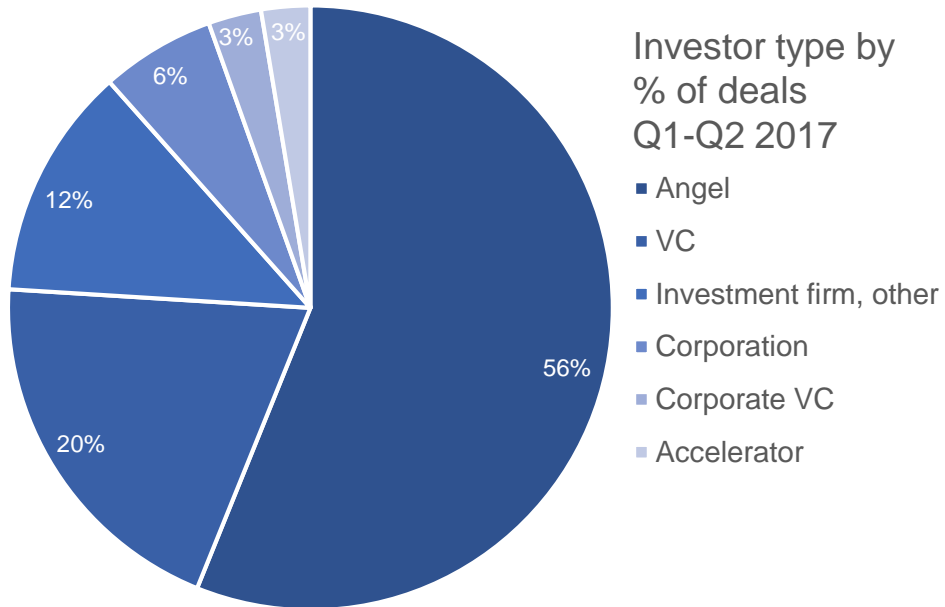
15%

Of the active investors participated in at least two funding rounds during Q1-Q2 2017

Active investors

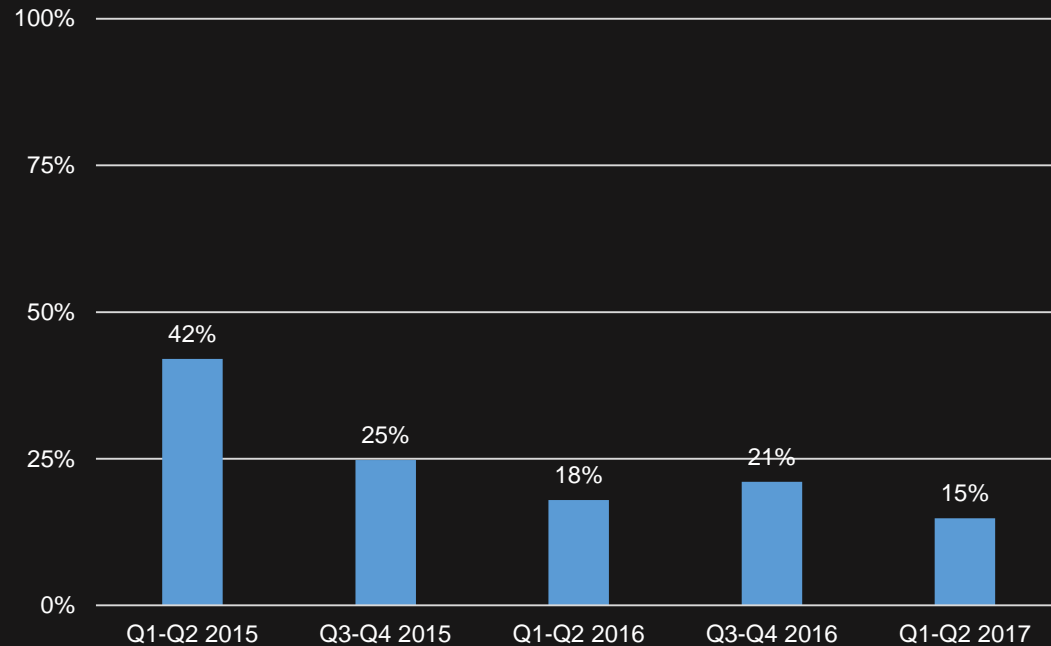


Angel investors and VCs remain most active backers of tech startups

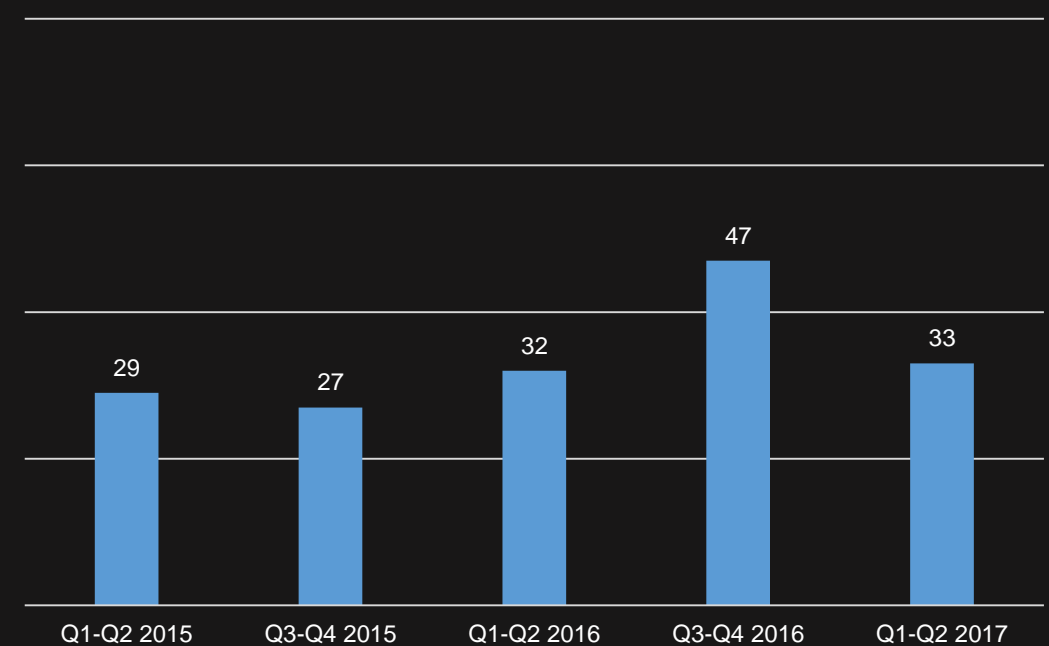


Domestic investors continue to dominate funding rounds

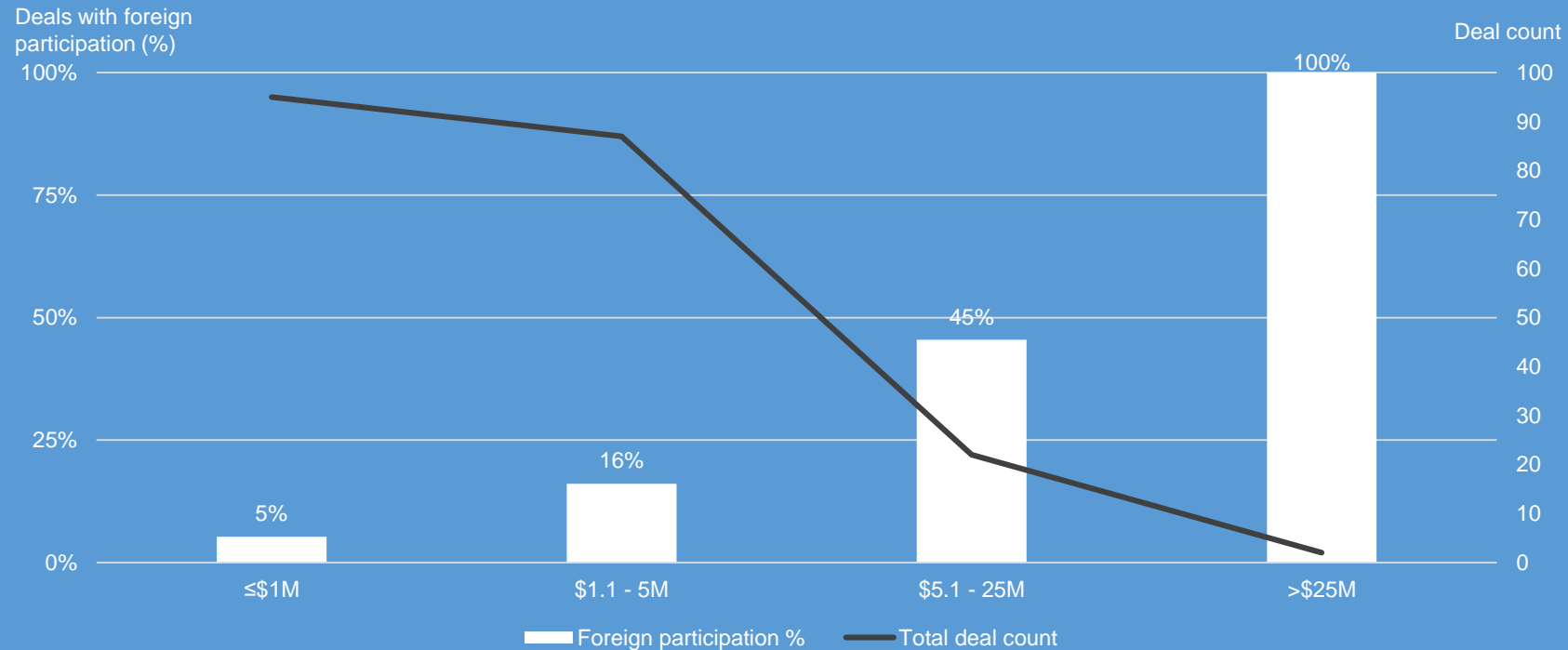
Funding rounds with foreign participation (%)



Funding rounds with foreign participation (count)

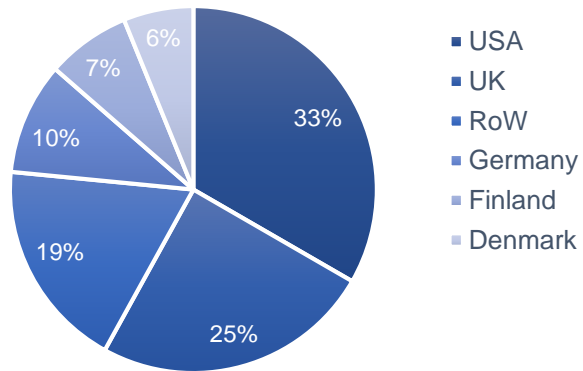


...even beyond seed stage where foreign investors typically enter

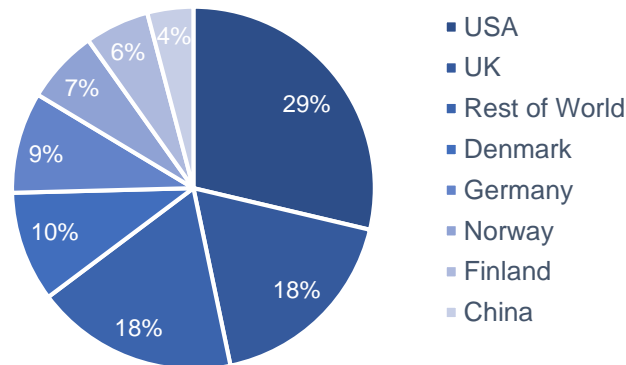


While overall foreign investment slowed, UK investors claimed top spot after doubling their share

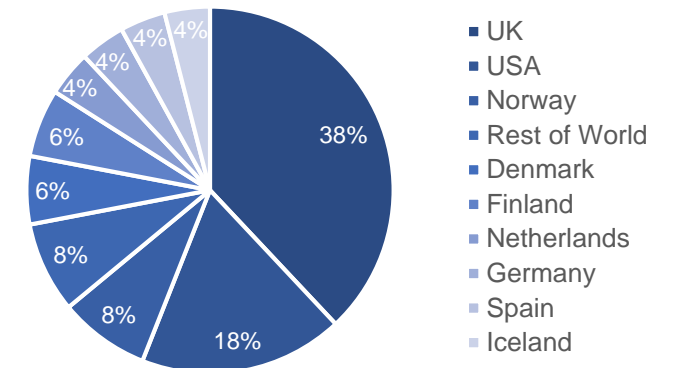
Foreign participation 2015



Foreign participation 2016



Foreign participation Q1-Q2 2017



FinTech remained hottest sector, while Digital Health claimed the runner up position for the first time

Top 2 verticals by deal count



FinTech



Digital Health

In the spotlight: Top 20 angel investors

The rundown on Sweden's most active angel investors Q1-Q2 2017

Investment data

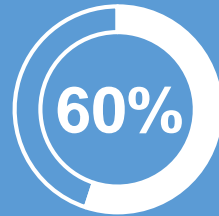
3

Average no. of investments during Q1-Q2 2017

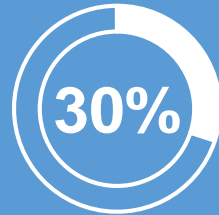
35%

Of the top 20 angel investors also featured in the top 20 in 2016 and / or 2015

Professional background



Founders

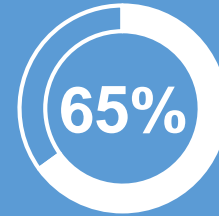


Executives

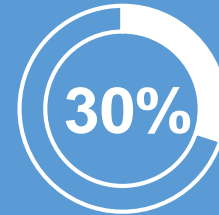


Artists & Athletes

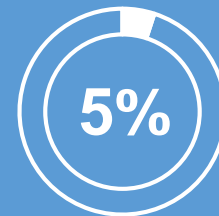
Educational background



Business



Tech / Engineering



Other

Previous achievements

\$15B+

Total realized exit value during the angel investors' active operational careers

35%

Have founded a VC-backed company

What's included

- This report covers disclosed venture investments in Swedish private tech companies
- Analysis primarily based on proprietary database with 600+ funding rounds
- Both first-time and follow-on investments are included
- Deals are tracked in SEK but reported here in USD. If originally reported in other currencies, conversion is based upon exchange rate per date of disclosure. Aggregate figures are subject to change due to currency fluctuation

What's not included

- Investments in life science, med tech, bio tech, retail, and consulting
- Secondary transactions, investments in subsidiaries and M&A transactions
- Equity crowdfunding and investments in public companies of any kind, including listing rounds in conjunction with IPO's
- Grants, bonds, bank loans and any other types of funding that is not intended to result in ownership

An end-note to keep our lawyers happy: The information contained in this report has not been independently verified as to its accuracy. No representation or warranty, express or implied, is given by Industrifonden or any of its directors, partners, officers, affiliates, employees, advisers or agents as to the accuracy or completeness of the contents of this report or any other document or information supplied or any opinions or projections expressed herein or therein, nor is any such party under any obligation to update the report or correct any inaccuracies or omissions in it which may exist or become apparent.