

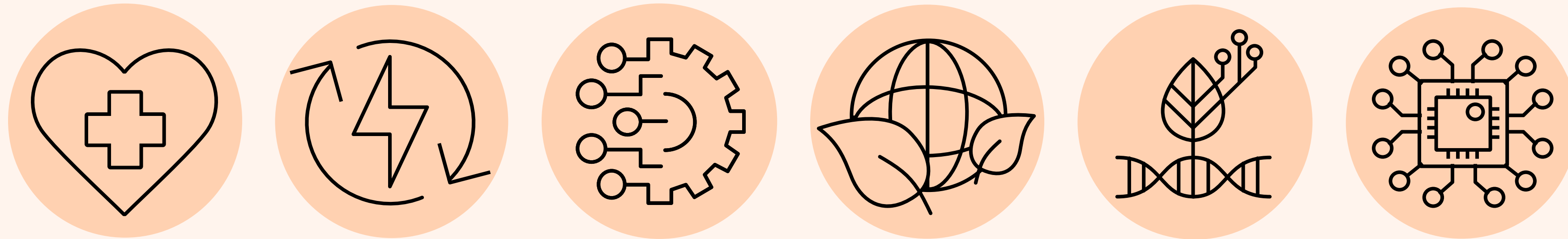
Swedish Deep Tech Landscape 2025

A Value Creation Roadmap
for Deep Tech Companies

Industrifonden

Deep Tech Definition

Deep Tech



Deep tech represents the next wave of innovation, shaping our future society. It stems from cutting-edge scientific and technological developments that disrupt industries and set new standards, enabling solutions that were previously unimaginable.

We define deep tech as innovations driven by novel scientific breakthroughs, often protected by patents or other intangible assets, with the potential to transform industries and create entirely new markets.

Executive Summary

- The recovery from the big 2023 venture capital contraction has been modest, with total venture capital investments in 2025 reaching only about 40 % of the levels of 2022.
- Deep tech startups have since captured about 20% of total venture capital money and 27% of all deals (2023-2025), and more than half of those deals are now late-stage rounds, showing the sector's growing importance.
- However, late-stage funding has been absent to support the maturing deep tech startups, and existing investors have lacked a clear framework for evaluating the progress of deep tech startups that reflect the longer R&D cycles, IP value, and industrialization milestones typical of deep tech.
- To fill the funding gap, new European late-stage funds such as Jolt Capital and 55 North Quantum Fund, together with corporate investors, are entering the market and provide the dedicated capital needed for deep tech scale-up.
- The report further offers a value-creation roadmap that shows the relevant technical, commercial, capital, and team milestones to track as deep tech companies mature from the early scientific platform phase to the scaling phase. This framework enables investors to evaluate progress of deep tech startups on the right terms and guides the companies toward exit.

About Industrifonden

Founded in 1979, Industrifonden has a proven legacy of backing emerging science and ground-breaking technologies with the potential of transforming the industries of tomorrow.

We manage more than 600 mEUR in an evergreen fund, and invest in early-stage companies, from Seed to Series A. Our areas of expertise are Deep Tech, Life Science and Transformative Tech, and we currently have 65+ Nordic companies in our portfolio.

Industrifonden has been a long-standing and active investor in the deep tech sector, with companies such as Pixelgen Technologies, Alixlabs, AdamantQ and BrainZell in its portfolio.

Selected new investments



About



Mattias Bertolino
PhD, Analyst



Sara Frykstrand
PhD, Intelligence Manager and Head of Intelligence



Patrik Sobocki
PhD, Senior Investment Director and Deep Tech Practice Lead

Portfolio companies

65+

Fund size

600 mEUR

Fund team

20 investment professionals

Ticket size

2-5 mEUR

Research Scope and Disclaimers

Scope and purpose

Our goal with this report is to enhance collaboration within the Swedish ecosystem and ensure transparency for all stakeholders.

The selected companies are chosen from the Swedish ecosystem. They have been manually screened and categorized as 'deep tech' by the Industrifonden team.

Our criteria for deep tech companies include:

- Science and research-based
- High technological barrier
- Broad proprietary technology platform

Limitations and disclaimers

We have excluded large-scale integrators of conventional technologies, like Stegra, as they do not fit our deep tech definition.

Deep tech is constantly evolving, and technologies that were once groundbreaking are now mainstream. Therefore, we have included companies that were deep tech at the start of their journey, even though they have since transitioned from our definition.

Data sources

The report is based on data from databases Pitchbook, EspaceNet, and Ymner (covering Swedish soft funding), as well as interviews with representatives from the ecosystem, including deep tech founders, CEOs, investors, and other stakeholders.

Due to the limitations of the databases used, the data may be partially incomplete, potentially affected by factors such as bankruptcies and misreporting.

Updated Glance of the Funding Landscape

Snapshot of Jun 24 – Dec 25

Companies started

65+

Average first round size

2.1 mEUR

Total soft funding

160 mEUR

Notable deep tech companies
coming out of stealth

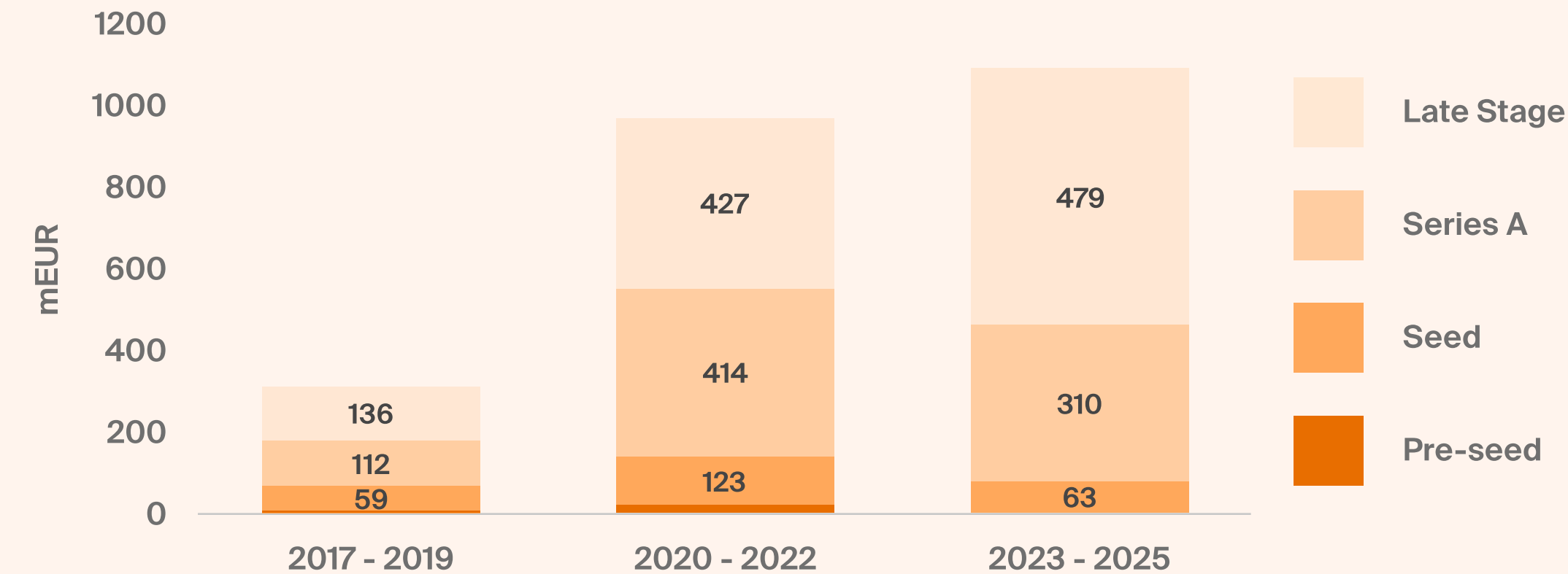
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CubaseBio™ 

ERTZY 

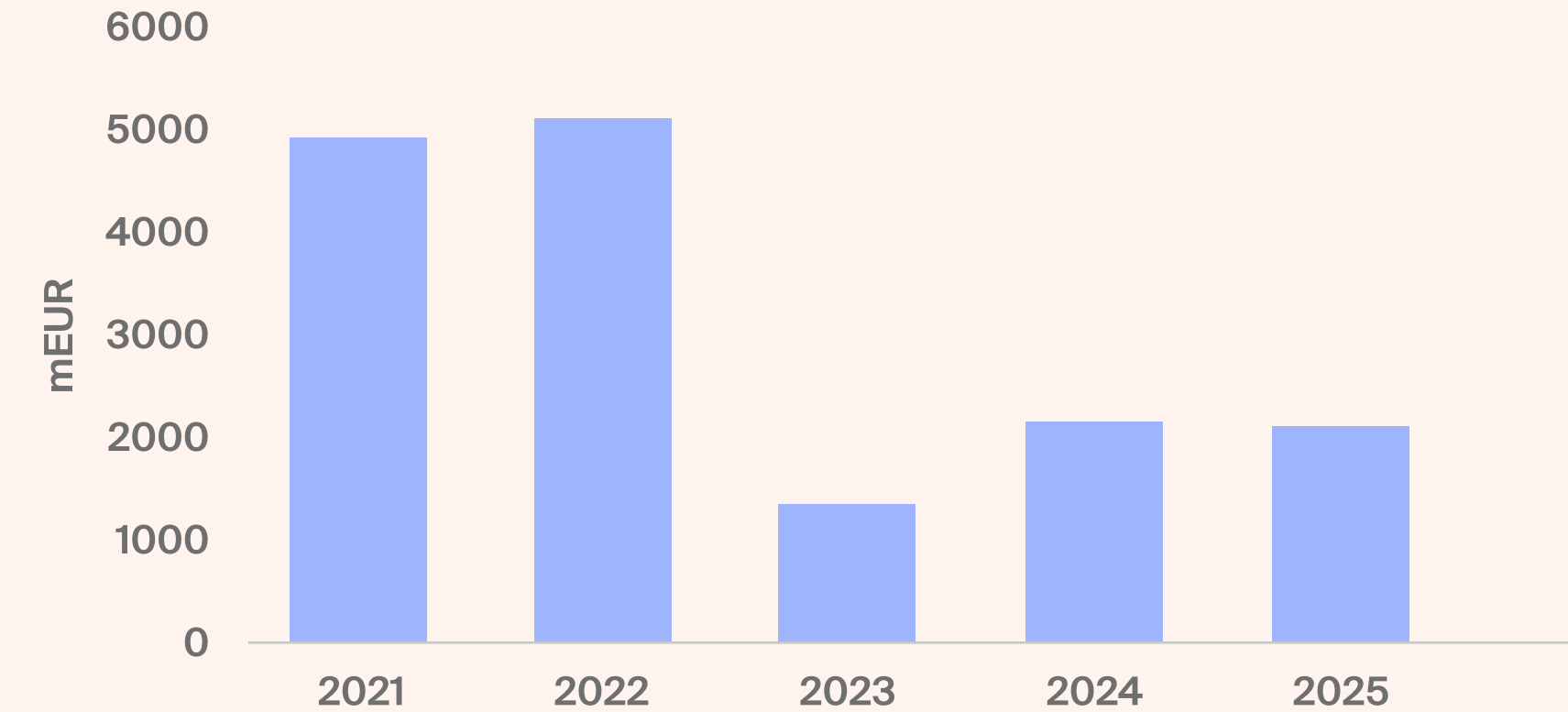
Swedish Deep Tech Holds Strong While Overall VC Funding Remains Tightened

Total Deep Tech VC Funding



- Deep tech investments represent a significantly larger share of Sweden’s total VC funding after the broad pullback in 2023 because capital rotated from consumer and general tech sectors toward more defensible, high-barrier solutions.
- While overall VC capital fell sharply, deep tech remained steady and accounts now for roughly 20% of the total funding value and 27% of all deals, aggregated over 2023-2025, underscoring the sector’s resilience and growing importance within the ecosystem.
- As the deep tech ecosystem matures, more than half of its transactions have progressed to later-stage rounds, signaling an increased confidence from investors to scale deep tech.

Total VC Funding



Data from Pitchbook. Excluding Northvolt and H2 Green Steel

Deal Count

	2021	2022	2023	2024	2025
Deep Tech	170	138	145	147	103
Total VC	1050	902	442	528	483

A New Wave of European Capital Powers Sweden's Deep Tech

INTERNATIONAL	LOCAL	CORPORATE VENTURES

- Over the last decade, there has been a short-term funding gap for Late Stage, which we estimated to ~2 bEUR for Swedish deep tech companies in our latest report [1].
- The lack of scale-up money negatively impacts the graduation rates from early to late stage, constraining growth and the ability to reach full potential.
- The entrance of several late-stage European funds, e.g. Jolt Capital, 55 North Quantum Fund, and the 1.4 bEUR allocation from the European Innovation Council (EIC), improves the EU-wide funding situation in Late Stage. The new EIC program focuses on simplified access to substantial funding and easier access to customers and partners.
- Moreover, corporate capital continues to play an important role in supporting Swedish deep tech in long (10+ years) fund cycles. Turbine Capital is a notable example, where several major industrial players enter as LPs to facilitate technology-validation contacts.

Top Investors in Deep Tech 2025 Sweden

Investor	Total Deal Count	Notable Investments
	25	Einride, Candela
	18	Glenntex, Repli5, FirstQFM
	17	Melt&Marble, SeaPattern, Echandia
	13	Vesiro, Melt&Marble, Arkeon
	12	Agteria Biotech, SeaPattern

[1] <https://industrifonden.com/news/deep-tech-funding-landscape-in-sweden/>

Thought Leadership on Accelerating Deep Tech Value Creation

“For Deep Tech startups, it is essential to establish proximity to industrial players. These collaborations offer technology validation, market access and scale.”



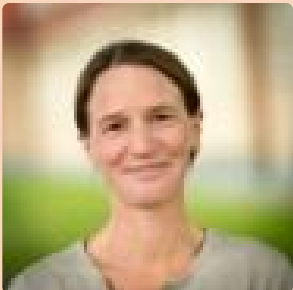
Dmitry Sumayev
Founder and CSO,
AlixLabs

“Sweden has the potential to become more relevant as a scale-up hub for European entrepreneurs, by making its Excellence centers and hubs available to broader international cohorts of innovative companies.”



Marie Wall
Start-up director at the
Swedish Ministry of
Enterprise and Innovation

“Free curiosity-led basic science provides the innovation of tomorrow.”



Charlotte Platzer Björkman
Vice-Rector, Disciplinary Domain
of Science and Technology,
Uppsala University

“Focus on technologies with broad applicability, which are more likely to remain relevant and open opportunities across multiple future markets.”



Ted Elvhage
Investor, Founding Partner
Expansion Ventures and
Rymdkapital

“Having industrial LPs makes it possible for our portfolio companies to access commercial partners that can lead to proof-of-concept projects, strategic alliances, and scaling opportunities.”



Karin Edström
GP Turbine Capital

A Value Creation Roadmap for Deep Tech Companies

How deep tech companies
progress from scientific
breakthrough to exit

A Tailored Investment Framework for Deep Tech Companies

Company maturity timeline



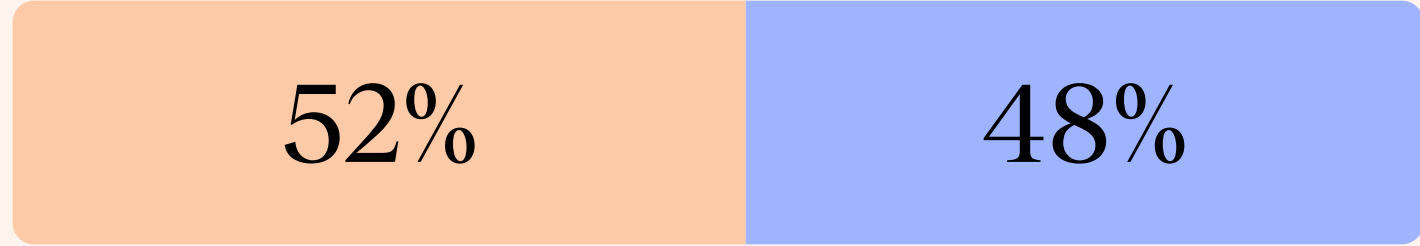
The conventional venture capital model, structured around stages such as Seed, Series A, Series B, and their associated metrics, fails to capture the unique development trajectory of deep tech companies. These ventures typically follow a different path, where technological integration and commercial supply reliability are more meaningful indicators than traditional funding rounds and early sales traction.

This report introduces a **value creation roadmap** specifically designed for deep tech companies with ambitions to scale. The map shows what we look for at each phase of the deep tech journey and what we think drives success. As investors in this sector, we begin by evaluating the core technology, which must be best in class, unique and scalable. We then assess the company's product development and industrialization progress to determine its commercial position along the market adoption curve.

Two distinct exit windows are typically available for deep tech companies:

- **Early-stage technology exit:**
Occurs before revenue generation, often through acquisition by strategic players seeking access to breakthrough technologies
- **Late-stage commercial exit:**
Takes place after the company has demonstrated market traction and validated its business model

The full company value is captured first in a late-stage commercial exit but the early-stage tech exit function as a risk reducer for investors.



Technology exits accounted for 52 % of the M&A transactions between 2020 and 2025 for which revenue figures were disclosed.

Productization Phase

Appointing key leaders, securing OEM partnerships, and validating market fit

0.5 - 2.5
MEUR

Company maturity timeline

Productization

Scientific platform

Capital	Formulate a clear roadmap to exit with clear value-driving steps	Non-dilutive funding remains important to enable partnerships and technology exploration and preserve equity for founders	Incentive program for future employees in place
Team	Appoint Chief Product Officer to translate customer needs into product specs and product roadmap	Separate CTO and CSO roles: CTO focuses on product readiness, CSO preserves long-term scientific path and moat	Complete a professional board if not already in place
Technology	Shift from pure platform development to productization, targeting 2-3 priority verticals	Validate prototype by integrating into pilot customer environments to prove value-chain fit and usability	Synchronize technical roadmap with OEM schedules, ensuring delivery dates align with partner expectations
Commercial	Letter of intent(s), which shows the relevance of the product, in place with key customers	Establish business model and map sales channels and customer journey	Secure co-development contracts with potential customers, linking cash payouts to integration milestones

Industrifonden comments

We argue that one of the most important roles at this stage is the product owner, who helps translate the scientific value into the business value of the company's potential customers.

While maintaining a strong scientific platform, the companies at this stage should be able to target specific needs of customers. This transition should be visible in terms of quantifiable letters of intent, co-development, or material transfer agreements.

Industrialization Phase

Achieving commercial scale through validation, strategic investors and sales capabilities

2.5 - 15
MEUR

Company maturity timeline



	Scientific platform	Productization	Industrialization
Capital	Investor syndicate with broad geographic reach to tap diverse markets	Look for specialized investors who understand industry-specific questions	Consider adding strategic investors for direct market and knowledge access
Team	Head of product engineering in place to own yields, COGS and scalability	Industrial competence and connections in board with supply-chain advisory available	Development of internal sales function to understand the sales funnel and which customers to prioritize
Technology	Full-scale reliability validation against industry specs and delivery requirements	Keep small-scale production capability to keep in-house competence	Process in place to link value creation, demand and operations
Commercial	Contingency contracts in place with customers	Negotiate off-take agreements	Pipeline of customers established

Industrifonden comments

At this stage, the company must demonstrate that the technology can survive real-world operating conditions at volume. We look for reliability metrics and proof that the product meets all regulatory requirements, which directly de-risk a later commercial exit.

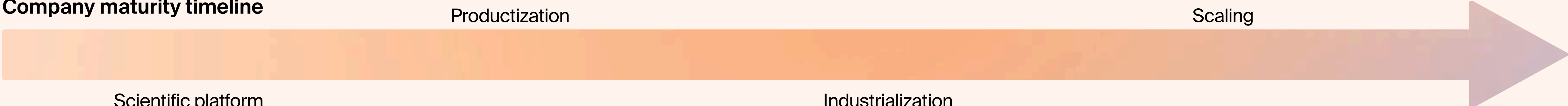
Industrial precision is required and there is no room for tinkering mistakes. The company must show the necessary reliability to deliver orders to industry customers with high expectations but low commitment. They must prove zero operating risk compared to status quo.

Scaling Phase

Scaling production, strengthening commercial operations and positioning for exit

>15
MEUR

Company maturity timeline



	Scientific platform	Industrialization	Scaling
Capital	Plan for growth investments to expand production capacity and commercial activities	Strategic investors are even more important for market access and to facilitate a future exit process	Potentially top up with specific project financing for previously de-risked assets
Team	Complete C-suite with COO, CFO and CCO to institutionalize processes and structure funding	Strengthen finance and legal teams to negotiate sales and supply contracts, improve IP strategy, and secure financing	Add competence to guide strategic path to exit
Technology	Supply chain strategy in place, including risks and contingency plans	Industrialization practice in place, including certifications	Full qualification with lead OEMs, including reliability testing, safety and compliance
Commercial	Off-take agreement in place with key customer	Continue to refine business model for margin expansion	Leverage off-take agreements to negotiate better terms with suppliers

Industrifonden comments

Large contracts act as the exit catalyst for deep tech ventures: they validate the business model, lock in recurring revenues, and create a defensible moat via long-term partnership agreements. The presence of a signed 10+ MEUR order (or a comparable sum of smaller repeat orders) is often the decisive signal for a late-stage commercial exit.

Strategic acquisition serves as a natural exit path for deep tech ventures. Incumbent industrial players acquire promising companies to rapidly integrate novel technologies into their operations and build competitive advantages.

Conclusions

- There is a gap between the expectations set out by the conventional funding structure and the value creation journey in deep tech companies, which creates misalignment between company and investor focus.
- To bridge this gap, we propose a value creation roadmap, tailored around the two typical exit windows available for deep tech companies. The roadmap shows company maturity from building out the scientific platform to the final scale up phases, each with a set of milestones that are typical for successful deep tech companies.
- The large value drivers of deep tech companies are to show progress in productization of the scientific platform followed by early deep tech companies integration in customers' technology. In later stages, showing industrial capacity and ability to scale is needed to secure large contracts and finally for exit.

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