



# Industrifonden

**Swedish Tech Funding Report  
Q1-Q2 2016**

# Swedish Tech Outlook: Diverging views between early and later stage investors

## HIGHLIGHTS

- Swedish tech startups raised over \$1.2B (SEK 10.2B) in Q1-Q2 2016, across 175 deals – thus surpassing the total investment figures for last year in the first six months alone
- Large increase in number of deals – explained by significant increase in seed rounds
- Large increase in investments from angel investors and non-VC institutional investors, while traditional venture investors' (VCs and Corporate VCs) share decreased
- Decrease in median deal size, following flatline in number of later stage rounds
- Number of deals with participation from foreign investors held steady, while US and UK investors' dominance was broken
- FinTech and MediaTech most popular verticals by number of deals

## KEY FIGURES

# 175

Funding rounds

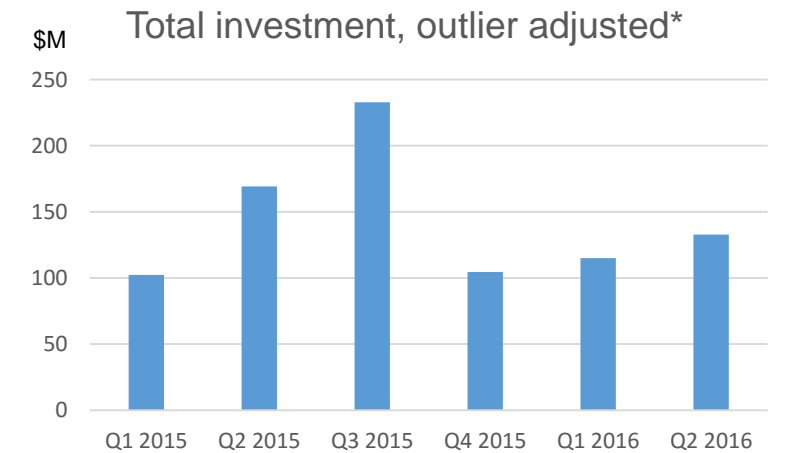
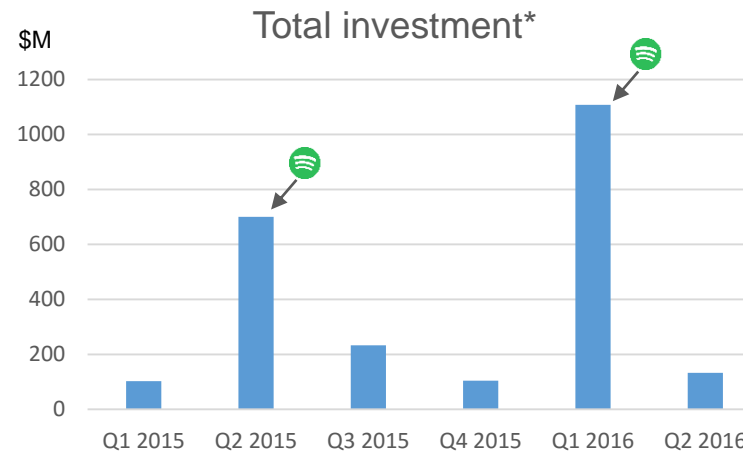
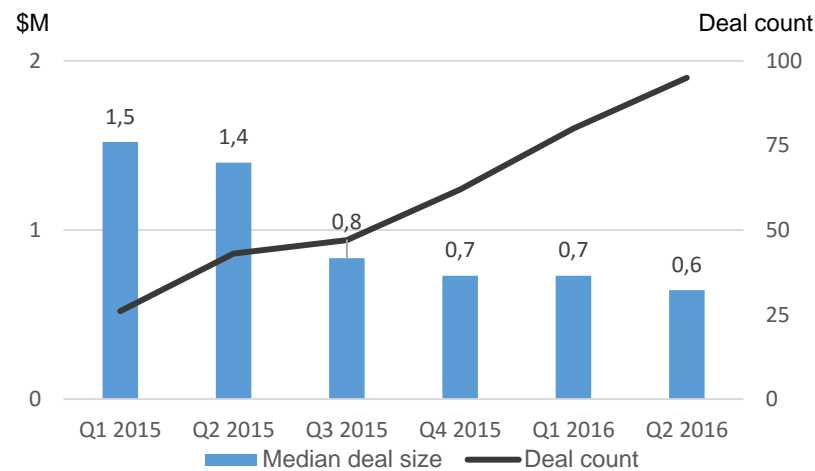
# \$1.2B

(SEK 10.2B) raised

# 304

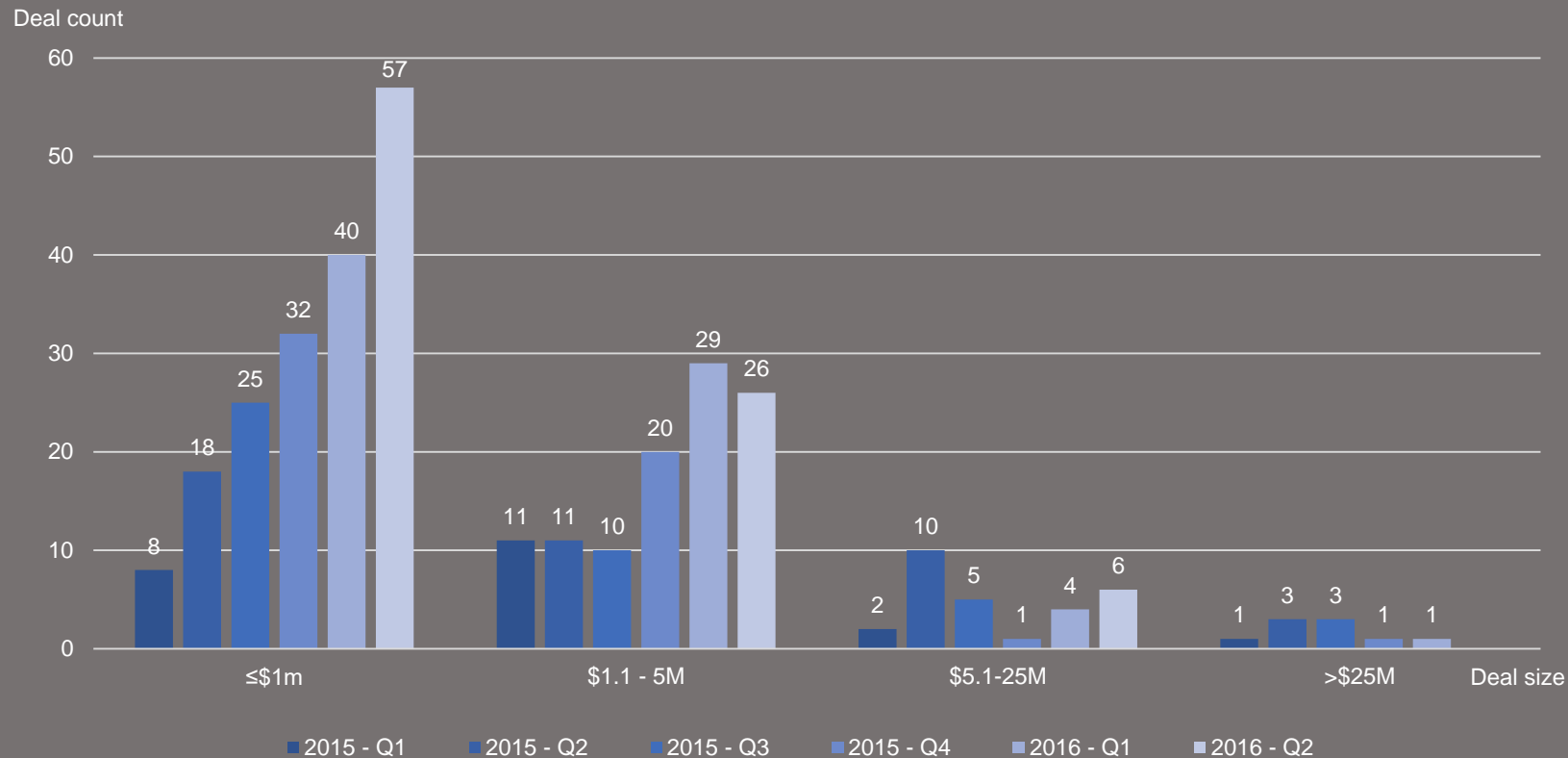
Active investors during Q1-Q2 2016

# Deal overview: More but smaller rounds



Note: The outlier adjusted graph excludes Spotify's funding rounds in Q2 2015 and Q1 2016 to provide a more comparable trend line than the total investment graph

# Accelerated increase in smaller rounds – flatline in growth stage

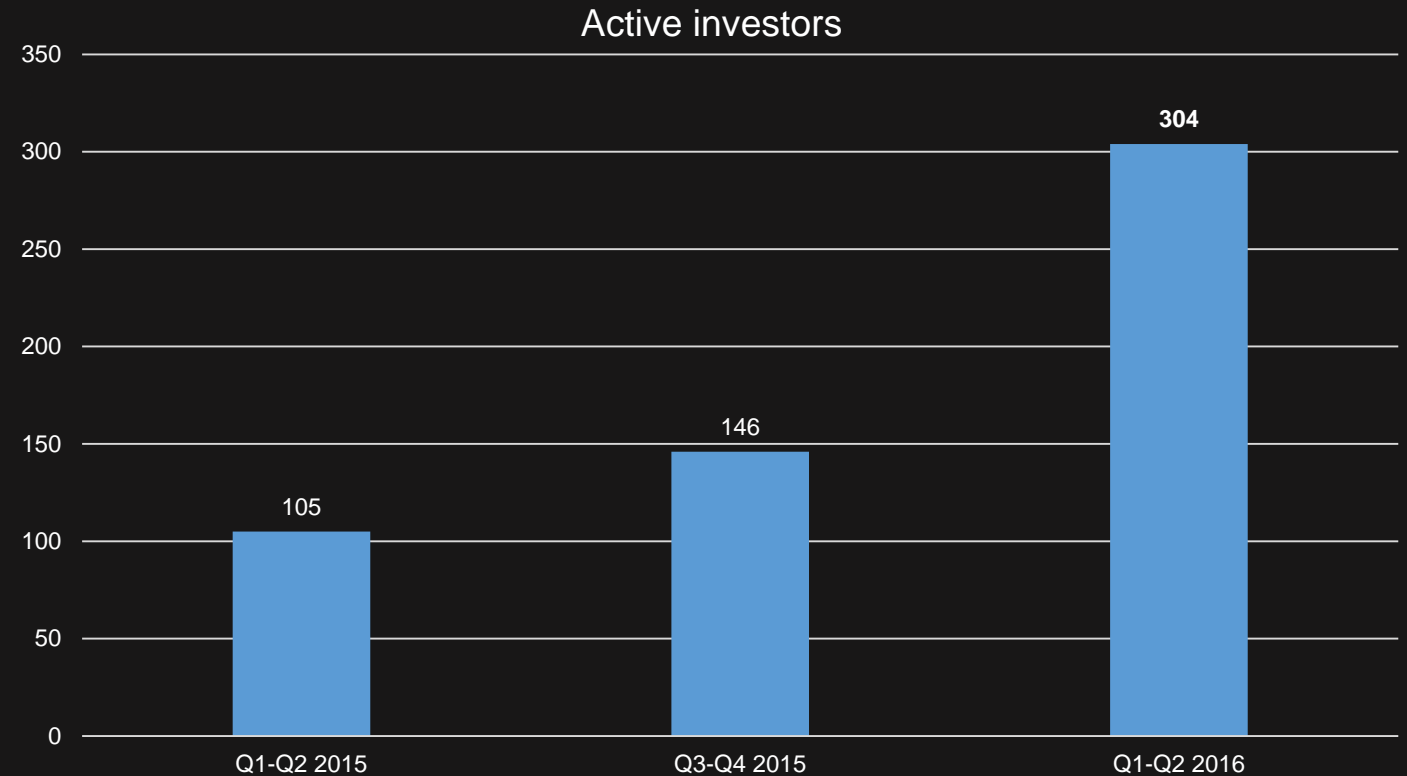


# 108%

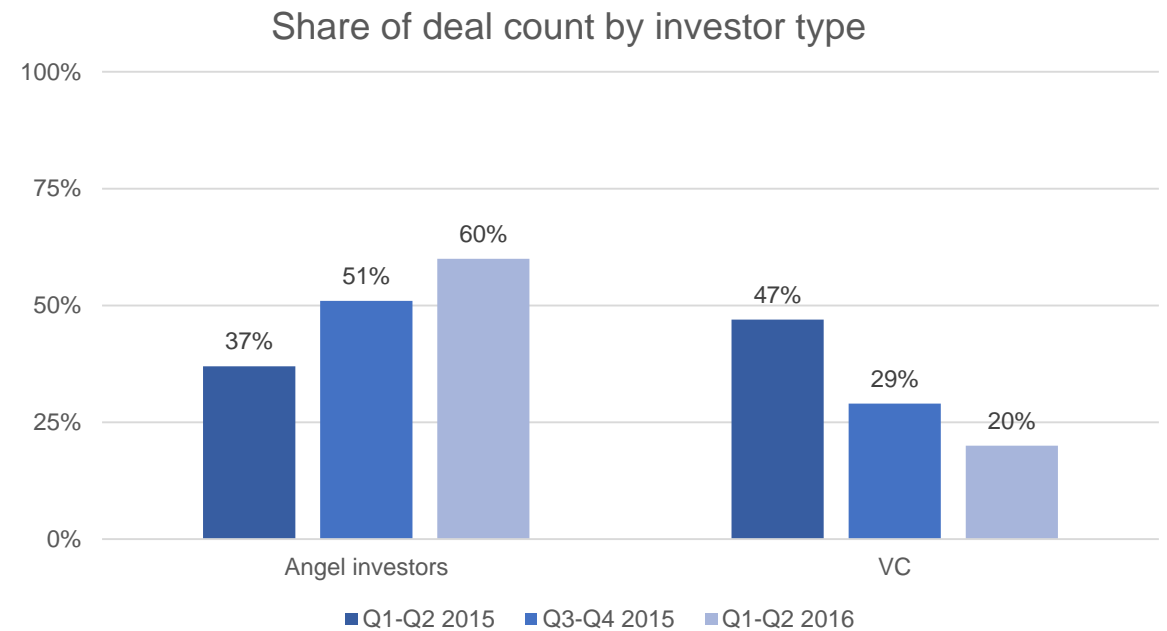
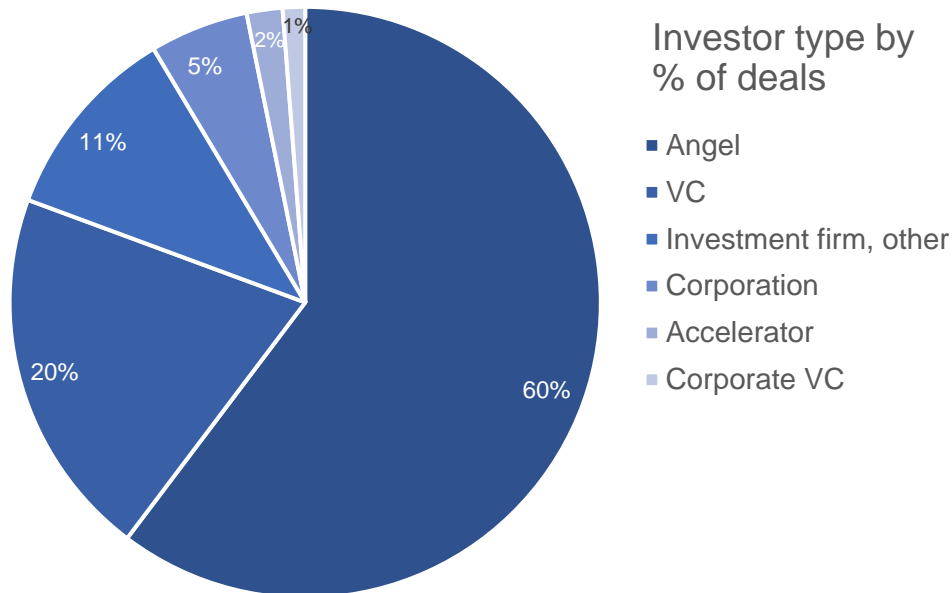
Increase in active investors compared to Q3-Q4 2015

# 19%

Of the active investors participated in at least two funding rounds during the period

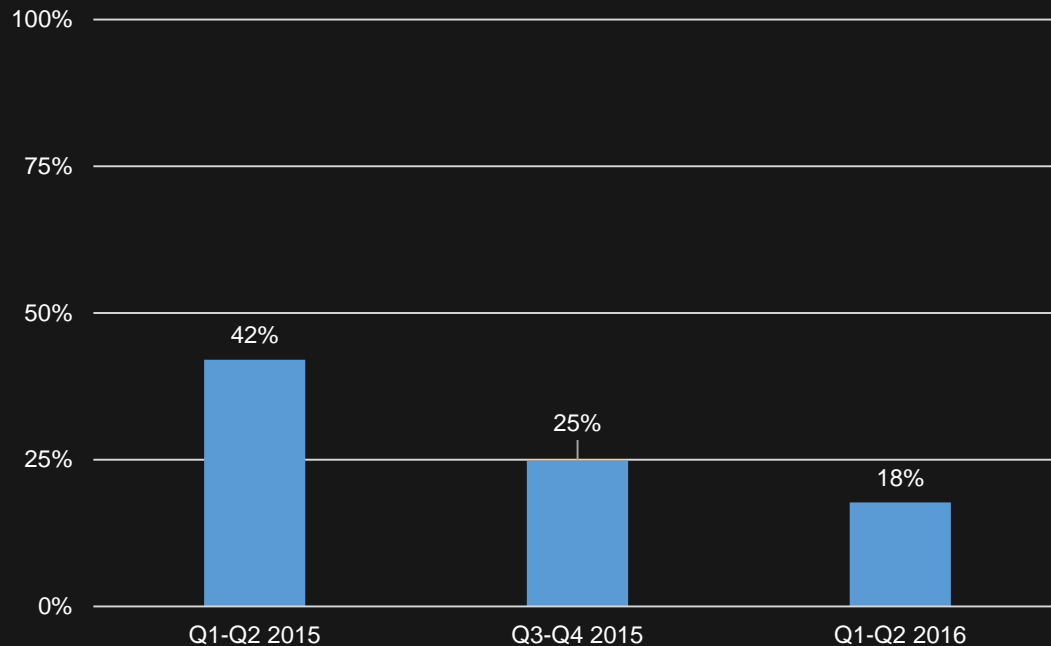


# Increase in active investors fueled by rise in angel investor activity

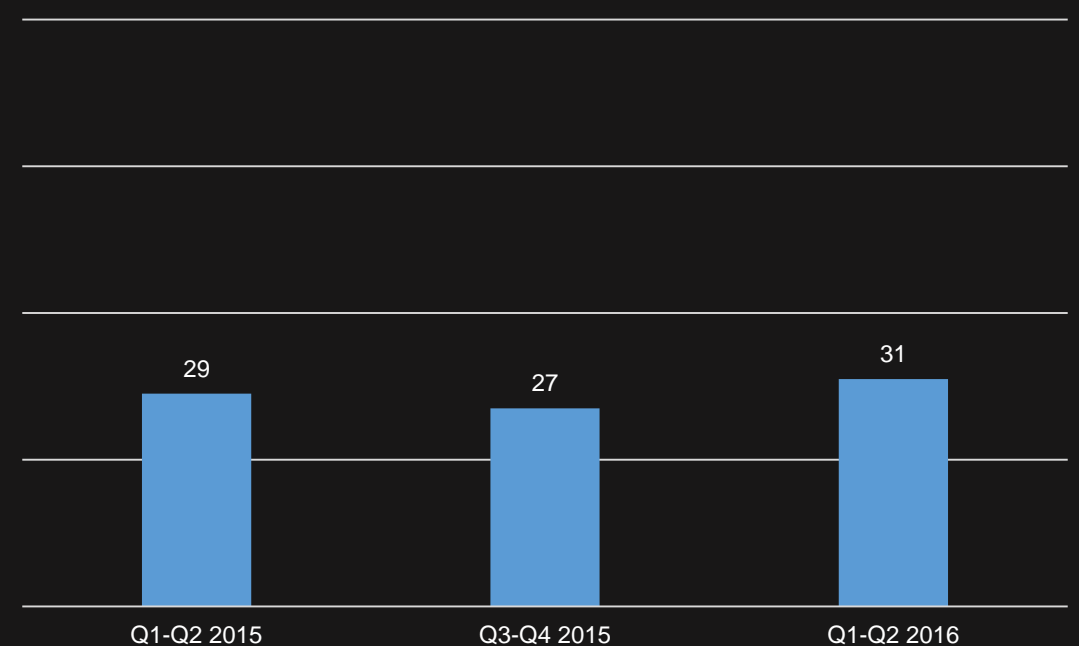


# Foreign investors are not taking part in the general increase in deals

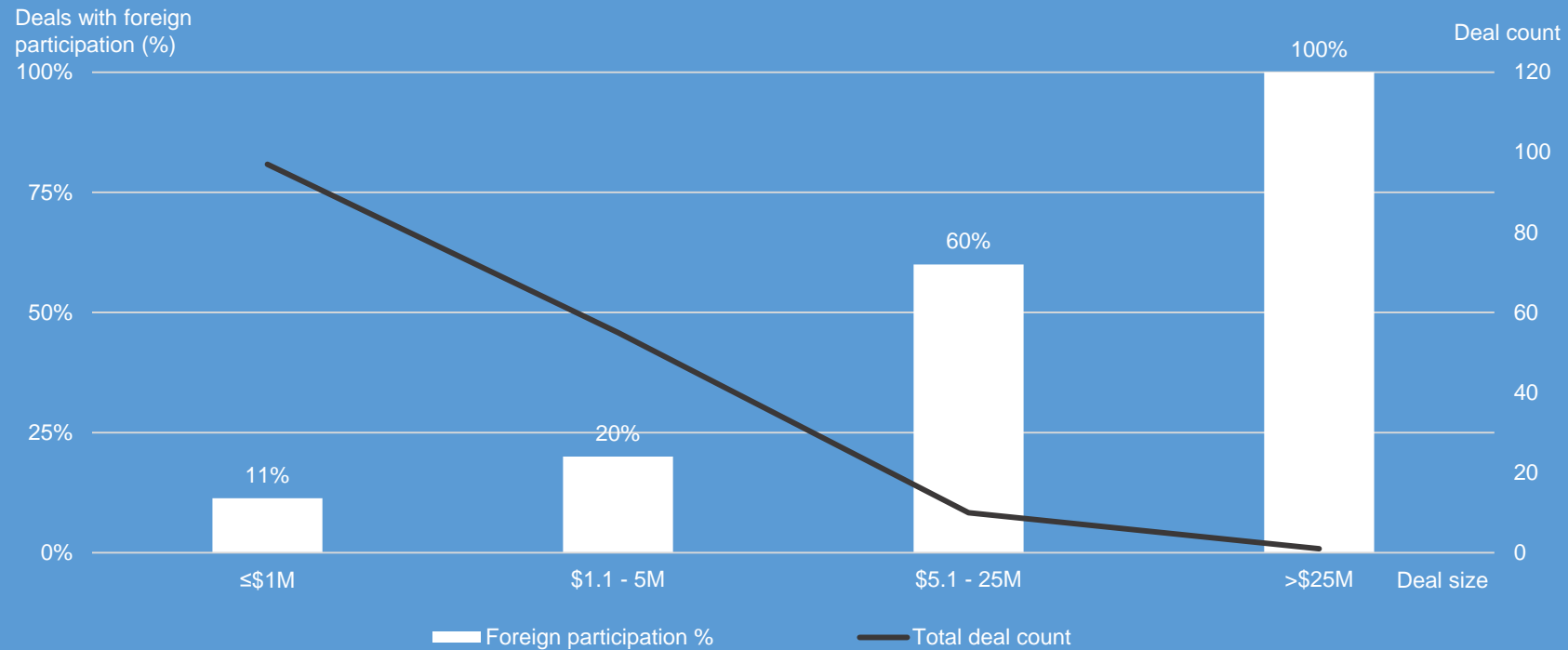
Funding rounds with foreign participation (%)



Funding rounds with foreign participation (count)

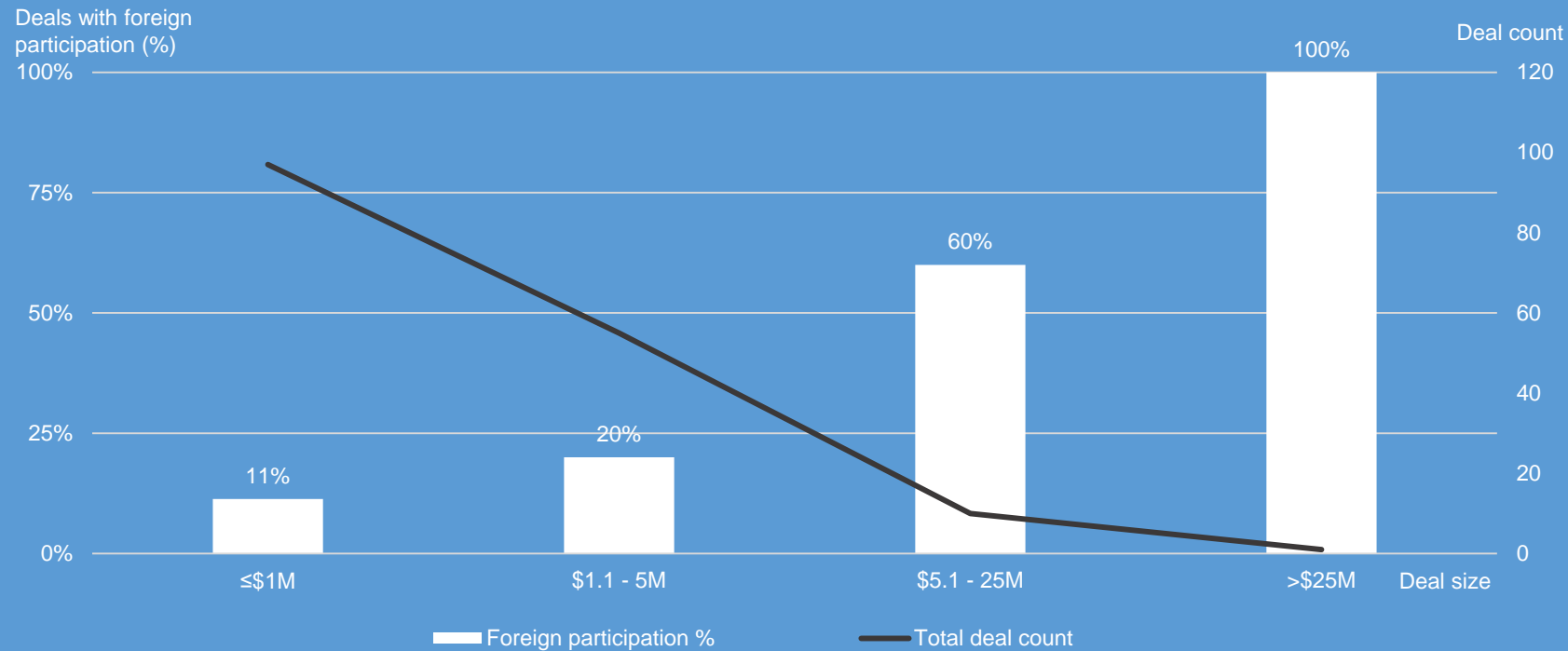


...explained by preference for the flatlined later stages – sweet spot is >\$5M funding rounds



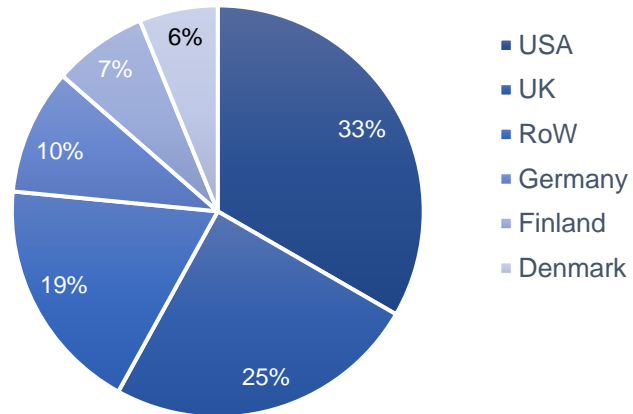


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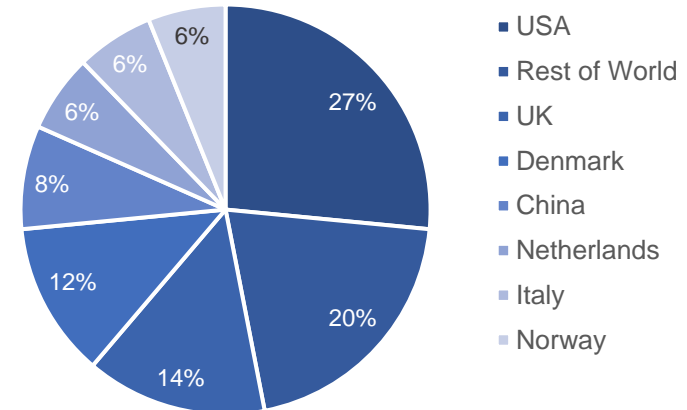
# Decreased US and UK dominance – greater regional spread

Foreign participation by country **2015**



US and UK investors together accounted for close to 60% of foreign activity in 2015

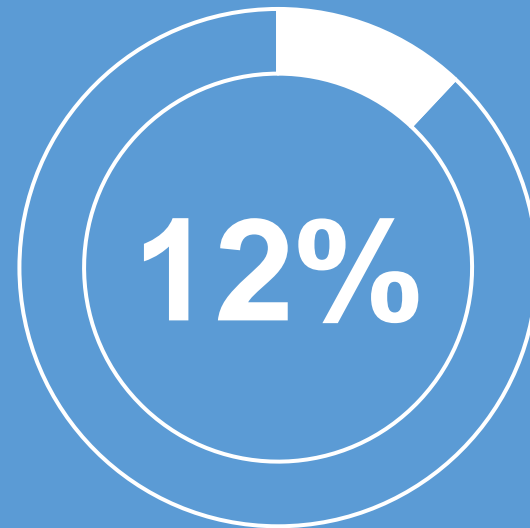
Foreign participation by country **2016**



In the first half of 2016, US and UK investors' share of foreign participation dropped by a third to 40%

# FinTech and Media remain most favored verticals by investors

Top 2 verticals by deal count



FinTech



MediaTech

## What's included

- This report covers disclosed venture investments in Swedish private tech companies
- Analysis primarily based on proprietary database with 350+ funding rounds, sorted by disclosure date
- 15+ parameters including deal size, stage, investors and vertical
- 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
- Grants, bank loans and other types of funding that is not intended to result in ownership

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Industrifonden is a Nordic venture capital investor, focusing on early stage tech and life science companies with international potential. Industrifonden is an active partner to companies with ground-breaking ideas and capacity to grow. Industrifonden is an evergreen fund with SEK 4 billion (\$500 m) in assets.

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