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Innovestor Pioneers Co-Investment Fund in Finland, Expanding Nordic Investment Ecosystem

HELSINKI – December 13th, 2023 Today, the Finnish venture capital company, Innovestor, in collaboration with Business Finland Venture Capital, announces the first co-investment fund in Finland. The fund size is €30 million, and it will invest in early-stage Finnish startups alongside investor groups of angel investors. The fund aims to increase the size of early-stage investments in Finland, thereby broadening and diversifying the Nordic investment ecosystem and funding opportunities for early-stage companies.

The co-investment fund makes investments together with angel investors. Groups comprising at least three angel investors propose investments to the co-investment fund, managed by Innovestor, which then evaluates these proposals and selects suitable investments. The initial investments range from €50,000 to €300,000. In the first investment round, the fund and the angel investor group invest the same amount of capital into the selected startup. These combined investments can significantly increase funding for startups, providing enhanced opportunities for creating growth at an early stage.

"The co-investment fund is a pioneering venture in Finland and an excellent example of the expanding Nordic investment ecosystem. Our co-investment fund opens up novel opportunities for both startups and angel investors alike. Historically, angel investors have largely operated independently, but with the co-investment fund, they can readily engage in lucrative investment opportunities with larger sums through the fund. For startups, the combination of multiple investors enables faster funding rounds and larger investment sizes, fostering critical early-stage growth," says **Wilhelm Lindholm**, CEO of Innovestor. "Especially in today's market climate, where there is a strong demand for financing, the introduction of a novel investment approach like the co-investment fund couldn't be more timely. This new fund enables us to greatly ease the early-stage funding landscape for emerging Finnish startups on a broad scale."

Innovestor's co-investment fund invests in approximately a hundred seed-stage companies in Finland. The investment strategy focuses on companies that promote green transition and sustainable development, deep tech companies, and research-based innovations originating from universities or research institutes.

"Early-stage startups and science-based companies are key in building a more sustainable world, which is important to us. With the co-investment fund, we can also bring together an

increasingly diverse group of skilled angel investors to support the growth of these companies," says Lindholm.

The co-investment fund is a result of the measures of a working group led by the Ministry of Economic Affairs and Employment of Finland, which focuses on developing the startup and growth company sector in Finland. Innovestor acts as the management company of the co-investment fund and is responsible for the portfolio management, risk management, and reporting of the co-investment fund. An experienced team from Innovestor with decades of successful early-stage investing experience has been assembled to lead the co-investment fund. The partners of the fund are Hannu Jungman, Janne Juhola, and Petri Laine.

"There are international success stories of co-investment funds, for example in the UK, and such has been long awaited also for the Finnish investment field. The co-investment fund diversifies early-stage capital financing in Finland and also supports the international competitiveness of Finnish startups. We are very pleased that we got Innovestor to manage the fund. Innovestor's extensive expertise in particular in research-based companies and deep understanding of the needs of early-stage startups is exactly what the success of the co-investment fund requires," says **Petri Serenius**, Investment Director at Business Finland Venture Capital.

***Innovestor** is a Finnish investment company focusing on venture capital and real estate. In addition, we offer corporate venturing services. The firm currently manages four VC funds with total capital of over €250 million. Consisting of almost 100 growth companies across multiple sectors of technology and life science & health, it represents one of the largest private venture-backed portfolios in the Nordics. Our mission is to make good money*
Innovestorgroup.com

***Business Finland Venture Capital Ltd (BFVC)** is a state-owned investment company in Finland that serves as an anchor investor in early-stage venture capital funds, with the mission of expanding the range of capital options available to startups. BFVC's goal is to promote development in the Finnish venture capital market and typically supports new teams in their first fund generations.*
businessfinland.vc/

For more information and interview requests, please contact:

Heli Mehtätalo-Takala
Director, Marketing & Communications, Innovestor
heli.mehtatalo-takala@innovestor.fi
+358 50 402 6781