



Together creating
Finland's new
global success stories

2022

INTERIM REVIEW

1.1.-30.6.

Together creating Finland's new global success stories

- By financing growth companies, we raise Finland to the forefront of transformative economic growth.
- We invest in venture capital and private equity funds and directly in companies, as a minority owner.
- We invest profitably and responsibly, aiming for a positive social impact.
- We develop Finland's venture capital and private equity market.
- We offer information and experience to companies, investors and policymakers.
- We are a venture capital and private equity company, 100% owned by the Finnish state.

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Key figures H1 / 2022

MEUR

12

half-year profit

MEUR

109

new investments
and commitments

MEUR

2,434

investments under
management as at
30.6.2022

8

exits

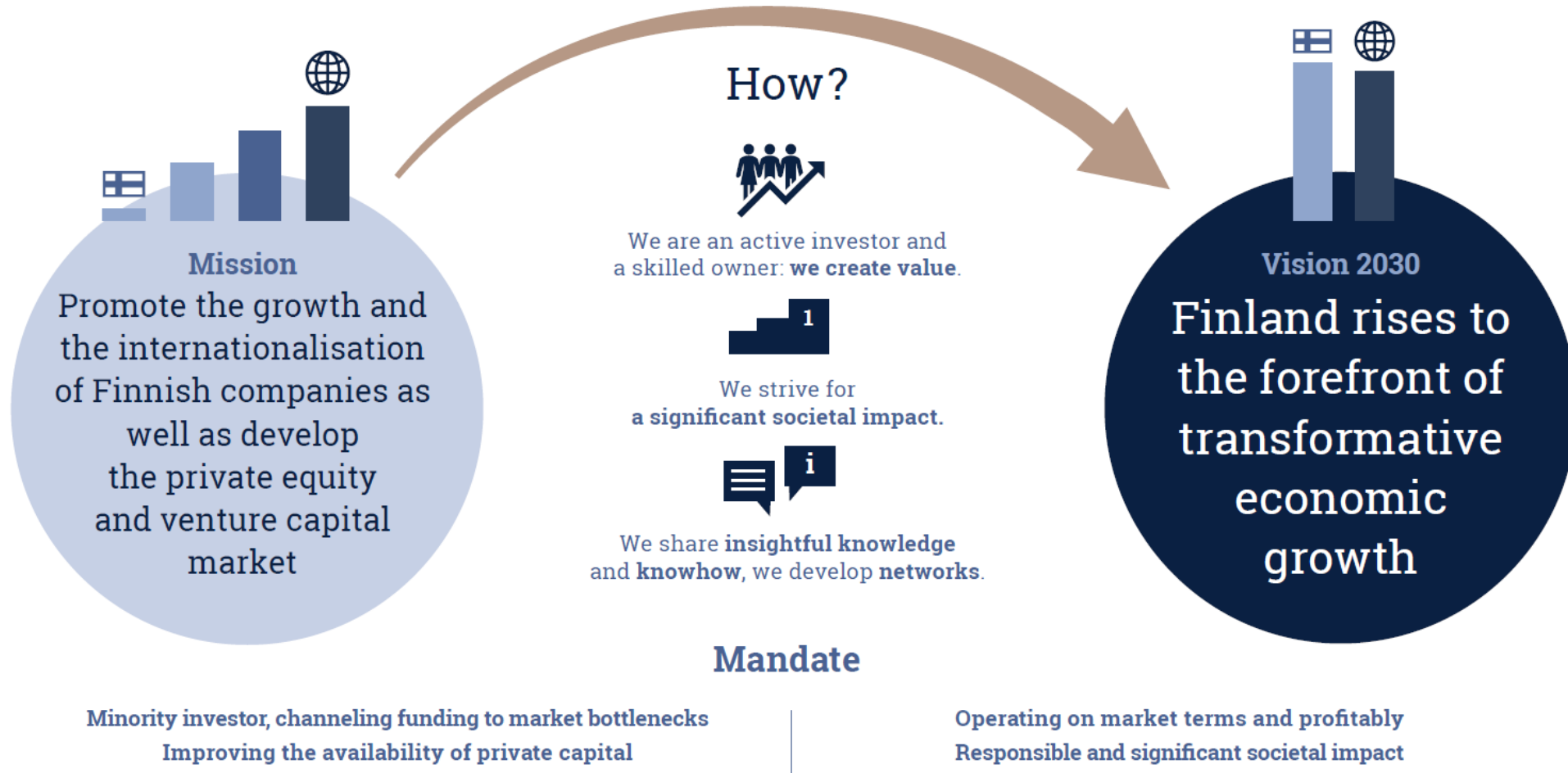
13

new direct
investments

4

new portfolio
funds

Tesi's strategy



Results and objectives H1 2022

Tesi's Finnish portfolio funds raised new capital of MEUR 203.

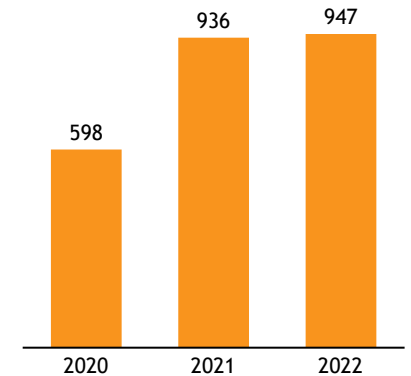
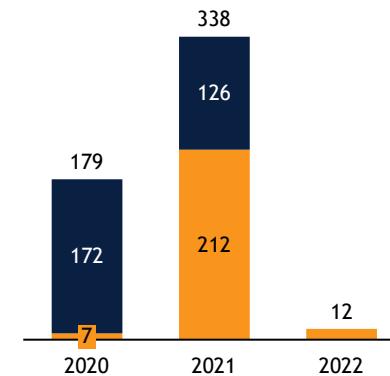
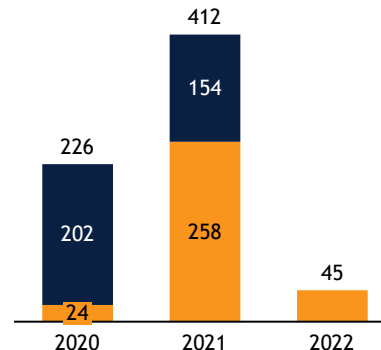
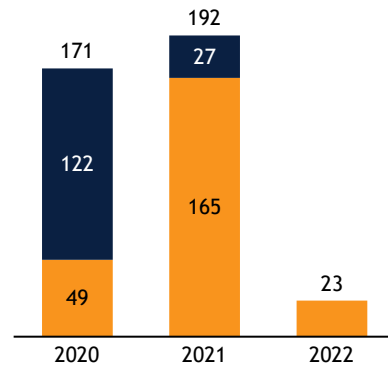
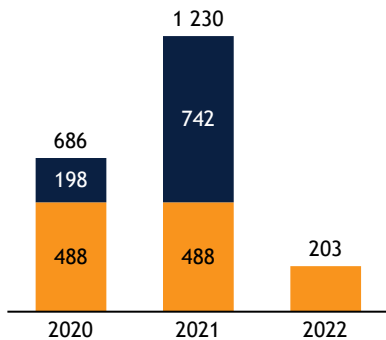
Our international investment partners invested MEUR 27 in Finland.

Return on venture capital & private equity investments MEUR 45.

Consolidated profit MEUR 12.

Retained earnings as at 30.6.2022 MEUR 947.

■ H1
■ H2



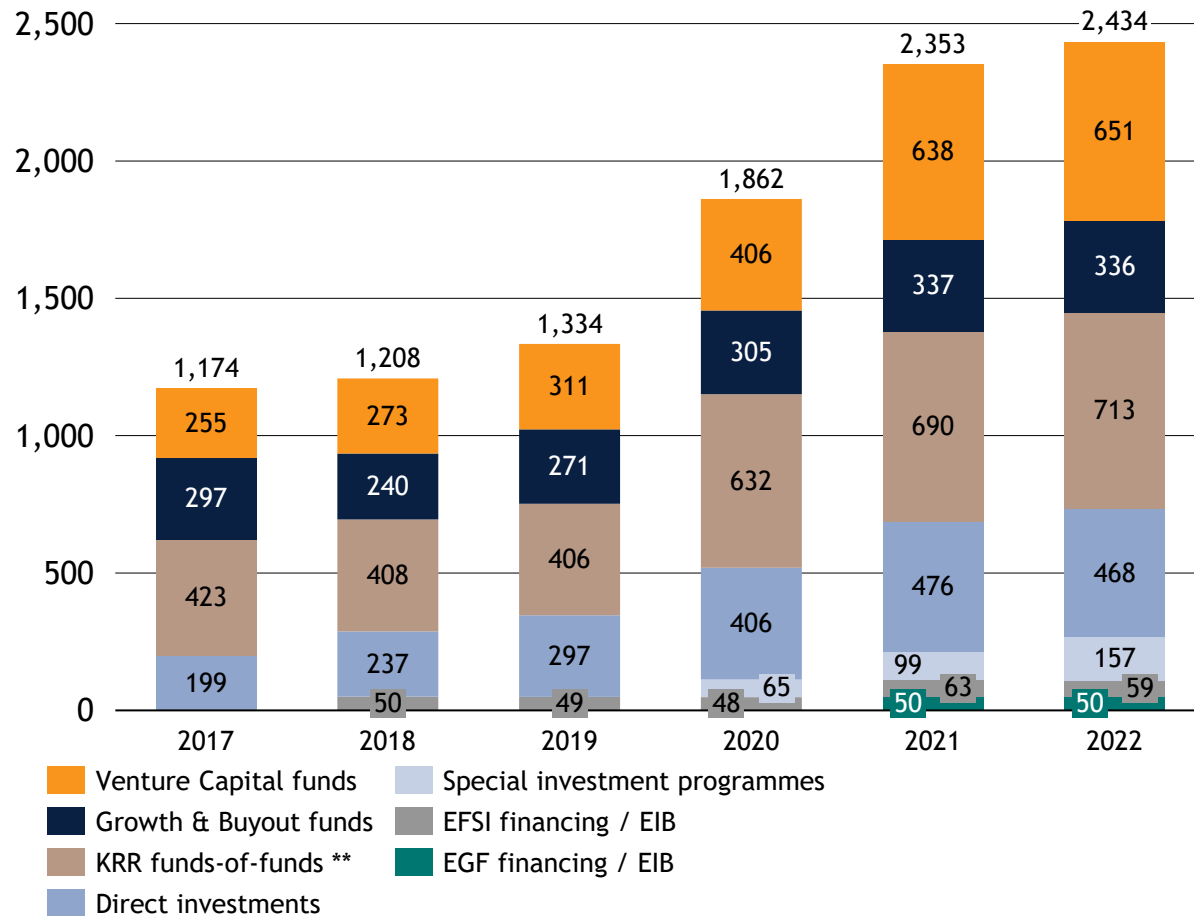
We develop Finland's venture capital and private equity market

Our business operations over the long term are profitable

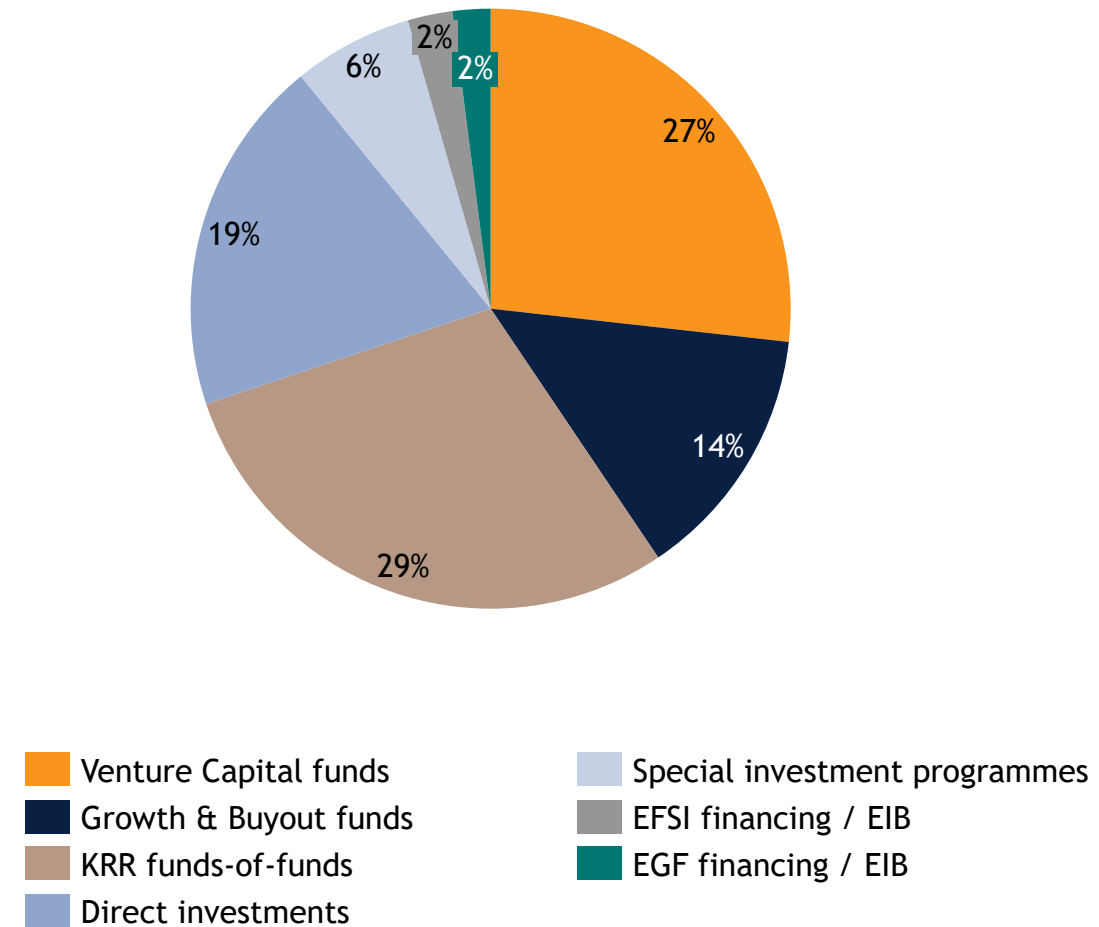


Investment operations

Investments under management, MEUR*



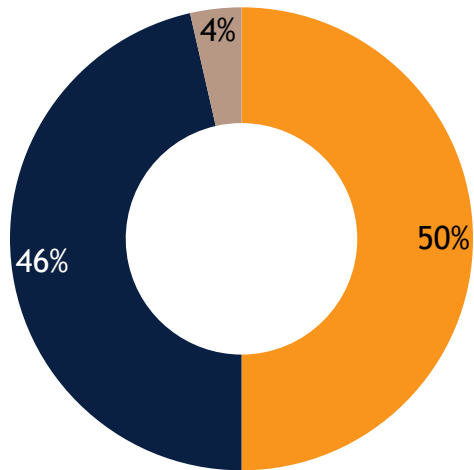
Investments under management MEUR 2,434 (30.6.2022)



* Figures include unpaid investment commitments.

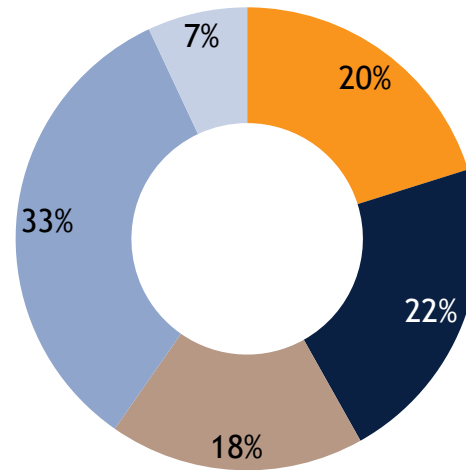
** The KRR funds-of-funds managed by Tesi include pension funds' capital.

**112 fund investments
as at 30.6.2022**



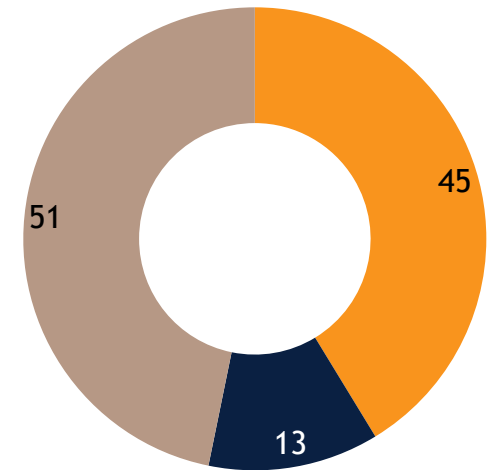
- Venture Capital funds
- Growth & Buyout funds
- KRR funds-of-funds

**130 direct
investments as at
30.6.2022**



- Venture Capital investments
- Growth & Industrial investments
- EAKR investments*
- Venture Bridge investments**
- Investments from V2 programme**

**MEUR 109 in new
investments
1.1.-30.6.2022**



- New fund commitments
- New direct investments in companies
- New ESO investments

* VC investments transferred from Finnvera in 2021

** Special investment programmes during coronavirus pandemic

Direct investments in companies during the review period*



SOLNET



Fund investments during the review period**



≥ INNOVESTOR



* Does not include special investment programmes during coronavirus pandemic

** One fund not publicly disclosed

Venture Bridge* investments in companies during the review period



KOHERENT

Gubbe

KiDE
SCIENCE



mekitec
FOR SAFE FOOD

Haltian

RE
CEIPT
HERO

** Special investment programme during coronavirus pandemic*

Exits during the review period

picosun

 **Blidz**

NOHO
NORDIC HOSPITALITY PARTNERS

AKKURATE⁺

Minima


MULTITACTION

DISIOR

Stella

Case MeEat: From meat business to plant-based sausage

MeEat is a Finnish producer of plant-based protein products. The company was established in 2020 based on the “Muu” plant-based products launched by Pouttu. MeEat products are made of pea protein and other raw materials, the production of which is extremely ecofriendly when compared to meat.

Interest in plant-based protein sources continues to grow, both globally and in Finland. Concerns over health and climate warming are making people diversify their diet. The company raised a EUR 8 million funding round, in which Tesi was also an investor.

“Global food production is a significant global source of greenhouse gas emissions. We at Tesi have recognised alternative protein sources as one way to reduce those emissions, so MeEat fits perfectly into Tesi’s portfolio with the concrete impact it possesses. The MeEat team has done excellent work, and we want to contribute to accelerating the company’s international growth together with other investors,” comments **Jan-Patrick Haikkola**, Investment Manager at Tesi.



Case Butterfly Ventures: Sustainable development hand-in-hand with universities

Butterfly Ventures is a Finnish fund manager that bases its operations on the EU's Article 8 and the related Sustainable Finance Disclosures Regulation ("SDFR"). Butterfly Ventures invests mainly in Finnish, but also in other Nordic and Baltic, companies in their seed stage. Butterfly Ventures differentiates in the Finnish market by virtue of its close cooperation with local universities and research communities, which boosts the commercialisation of innovations.

Tesi made an investment in the fund manager's fourth fund, which invests in science-driven deep tech and hardware startups, in spring 2022, the KRR IV fund-of-funds (Kasvurahastojen Rahasto IV) managed by Tesi also gave an investment commitment to the new fund. The first closing was made at EUR 47 million, and the targeted size is EUR 100 million.

Case Picosun: Exit accelerates growth

Picosun is a Finnish innovator in atomic layer deposition (ALD) technology, primarily for specialty semiconductors. Tesi made its initial investment in Picosun in 2019. Applied Materials, Inc., a US corporation and global leader in materials engineering solutions for semiconductors and advanced displays, acquired Picosun in summer 2022. Picosun's operations will nevertheless continue in Finland. Tesi exited from its investment in Picosun in conjunction with the transaction.

"It's truly wonderful to witness how Picosun, and with it a significant Finnish invention, will henceforth be part of a global leader in the semiconductor industry. The transaction also demonstrates the strength of Finnish tech knowhow as well as the country's attractiveness for investment. Although Tesi exits the investment, we are excited to see Picosun's journey enter a new growth phase," comments **Miikka Salminen**, Investment Manager at Tesi.



Case Innovestor Life Science: Eliminating market bottlenecks

Innovestor, a Finnish venture capital firm, launched a new Life Science fund in early 2022. The fund is the first in Finland in over ten years that focuses solely on life sciences. The fund invests in companies with a background in university innovations and a strong scientific research base.

completed a first closing of EUR 60 million. Innovestor aims to increase the fund's capital to EUR 90-120 million during the following year.

Tesi is an anchor investor in the fund along with The Finnish Cultural Foundation and the Jenny and Antti Wihuri fund.

The Innovestor Life Science fund, which focuses on early-stage opportunities in Finland and in the Nordic and Baltic countries, has

Case Haltian: Finnish smart tech for the world

Haltian is a global IoT corporation focused on R&D and based in Oulu, Finland. The company supplies hardware and software solutions for buildings, such as offices and hospitals, that can transform any building into an intelligent building.

In spring 2022, Haltian raised a EUR 6.6 million financing round in which Tesi was also an investor. Haltian will use the funding to open new markets in North America and expand its product portfolio.

Tesi's investment was the first to be

made from the EUR 100 million co-investment facility agreed between Tesi and the European Investment Bank (EIB) in late 2021. The facility enables larger financing rounds, improves the ability to make sizeable investments, and channels EU financing into Finnish growth companies. An investment in Haltian was also made from Tesi's temporary Venture Bridge special investment programme that closed to initial investments at the end of March 2022.

A man with a beard and an orange beanie is sitting on a brown sofa, working on a laptop. The room is dimly lit, with warm light from a fireplace and candles on a coffee table. The coffee table has a silver thermos, a small metal cup, and a tray with three lit red candles. The background shows a white door and a window with curtains.

Case Aiven: The unicorn of business software

Aiven is a Finnish software company founded in 2016. The company offers cloud-based data services using open source database and analytics solutions. The company has enjoyed success both in Finland and globally, and currently has customers in 50 countries around the world.

In autumn 2021, Aiven's valuation rose to over one billion US dollars,

thus becoming a unicorn and one of Finland's most valuable growth companies in the tech sector. In spring 2022, Aiven secured EUR 200 million in funding in the third largest financing round ever raised by a Finnish growth company.

Aiven is a portfolio company of Lifeline Ventures and Atomico, both of which are Tesi's portfolio funds.



Profit and balance sheet

Profit and balance sheet H1 2022

Tesi's profit for the first half of 2022 was EUR 12 million, mostly comprising unrealised gains in value. Profit from funds, EUR 35 million, was partly due to the figures for the Q4/2021 period being reported late by funds and not being included in the financial statements for 2021. Funds also enjoyed a positive trend in the valuation of their portfolio companies. Correspondingly, the profit of EUR 8 million from direct investments derived mainly from changes in fair value in some portfolio companies at more mature stages, and the improvement of their business environment during H1. The prevailing market situation was also reflected in financial securities, which made a loss of altogether EUR 25 million.

Growth in venture capital and private equity investments from the start of 2022 amounted to EUR 83 million, of which stabilisation investments accounted for EUR 39 million. The increase in the fair value of venture capital and private equity investments, to EUR 1,450 million, was largely due to new investments.

The carrying value of financial securities (non-current and current assets) and cash & cash equivalents was EUR 403 million, which covers the company's off-balance-sheet, unpaid investment commitments to external parties that amounted to EUR 554 (including capital reserved for investment programmes). Shareholders' equity rose to EUR 1.8 billion as a result of the profit for H1.

Consolidated statement of comprehensive income IFRS

EUR thousands	1-6/2022	1-6/2021	Change
Net gains from funds	34 761	231 679	-196 918
Net gains from direct investments	7 663	28 140	-20 477
Net gains from investments, total	45 076	257 133	-212 057
Net gains from financial securities	-25 330	11 793	-37 124
Income from fund management	975	713	263
Other operating income, total	-24 355	12 506	-36 861
Operating expenses	-5 708	-4 945	-763
Operating profit	15 013	264 694	-249 681
Financial income and expenses	-195	-364	169
Profit before taxes	14 818	264 330	-249 512
Income Taxes	-2 925	-52 915	49 991
Profit after taxes	11 893	211 414	-199 521
Total comprehensive income for year	11 893	211 414	-199 521

Consolidated balance sheet IFRS

EUR thousands	30.6.2022	31.12.2021	Change
Assets			
Non-current assets			
VC & PE funds	874 708	835 531	39 177
Direct investments	451 339	446 569	4 770
VC & PE investments, total	1 326 046	1 282 100	43 947
Other non-current assets	48 454	48 028	425
Equity, total	1 766 967	1 755 074	11 893
Non-current liabilities	122 055	129 677	-7 622
Current liabilities	4 612	5 183	-571
Liabilities, total	126 667	134 860	-8 193
Equity and liabilities, total	1 893 634	1 889 933	3 700

Events after the review period and future prospects

In July, the investment market experienced an upswing as expectations of inflation moderated, and consequently interest rates fell and share prices recovered. Since August, markets have returned to their previous risk themes. Measures adopted by central banks to combat inflation will have a significant impact on markets also in future, alongside other uncertainty factors.

The economic outlook for Finland and Europe is weak and the risks of recession have grown. This might have a negative impact on Tesi's portfolio companies, and thus on the prospects for Tesi's cash flow and profit.



Capital for growth and internationalisation

