



# Tesi's Interim Review

H1/2024

**Tesi**

# Tesi's Interim Review 1 Jan – 30 June 2024

CEO's review	1
Tesi's strategy	2
Historical development of Tesi's equity	3
Tesi's investment activities 1 Jan – 30 June 2024	4
Result and balance sheet 1 Jan – 30 June 2024	16
Events after the reporting period and outlook	18
Tesi's investment partners	20

# Tesi

- We work for the success of Finnish startups and growth companies
- We develop and serve the Finnish venture capital and private equity market
- We invest in venture capital and private equity funds, and also directly in growth companies
- We operate on market terms, as a minority owner
- We advance sustainability both in venture capital and private equity industry and in companies
- Our goal is to maximise our positive social impact through our operations
- We offer information and experience to companies, investors and policymakers
- We are an investment company 100% owned by the Finnish state



Tesi

## CEO's review

# Boosting growth with recapitalisation

For almost 30 years, Tesi has run a profitable investment business based on market conditions. The recent recapitalisation will further strengthen Tesi's role as a developer of the VC & PE and growth company market. We aim to boost economic growth and are well equipped to meet this challenge.

We are a developer of the Finnish startup and growth company ecosystem as well as the VC & PE market. While holding on to our principle of building profitable growth, we will adapt our methods to market needs and current challenges. Although our half-year result was positive, fundraising conditions are very difficult for both funds and direct investments, and adaptability is required.

Finland's economic growth clearly needs a boost. The recapitalisation by the Finnish government is one of the factors that help us double our investment capacity for three years from next year to support the growth of Finnish businesses.

Scaling up growth requires a change in tactics. To compete internationally, Finland needs new, growing tech companies, industrial-scale projects and larger venture capital funds to finance their growth. This would strengthen Finnish ownership in the process.

Our investment strategy will be refined this autumn. In addition to our previous activities, we already know that Tesi's range of methods will include the possibility of larger direct industrial and startup investments, as well as fund investments.

**Pia Santavirta**

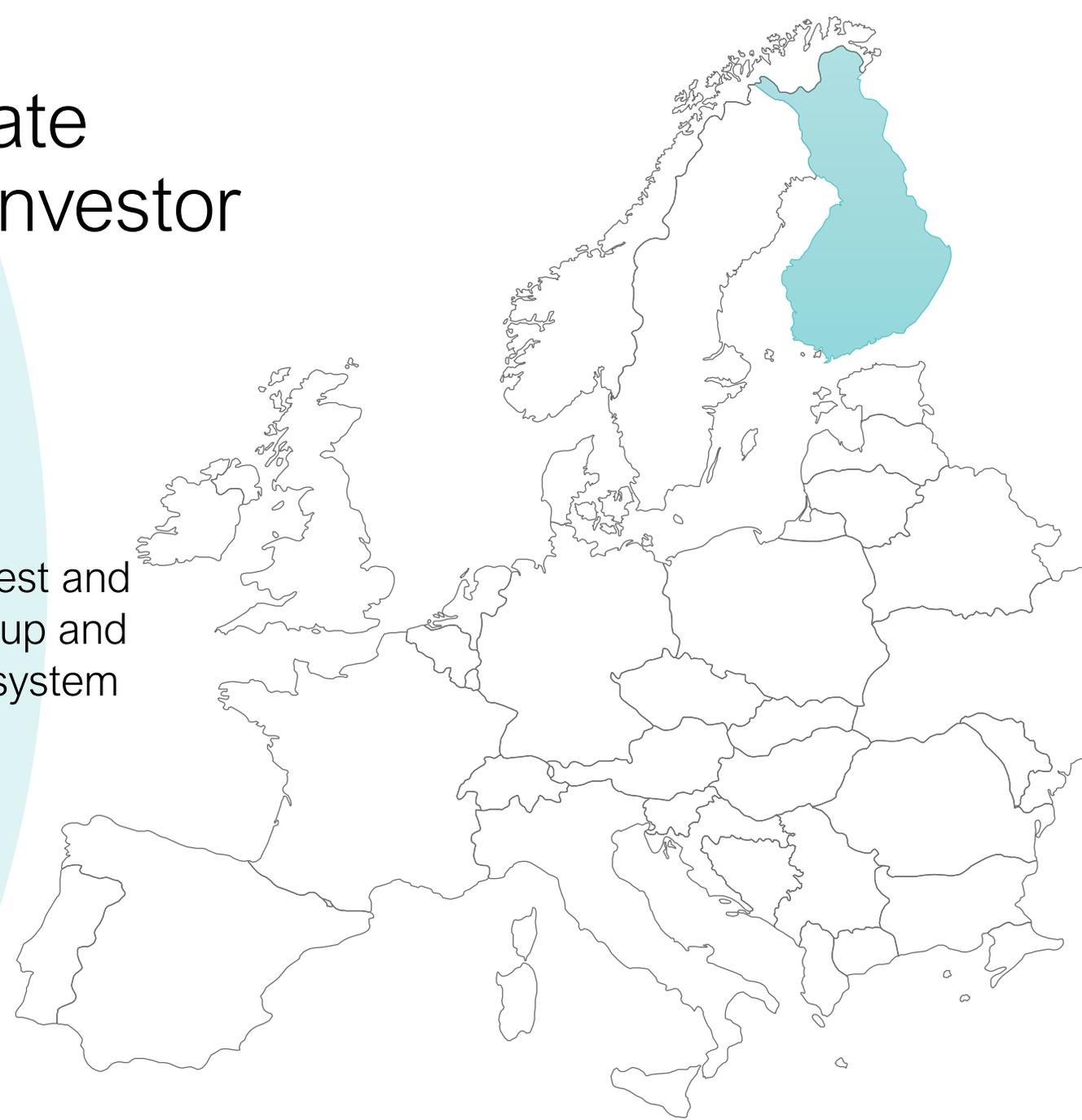
Tesi is a market-driven private equity and venture capital investor and market developer

### OUR MISSION

Making Finland's private equity and venture capital market a global success story

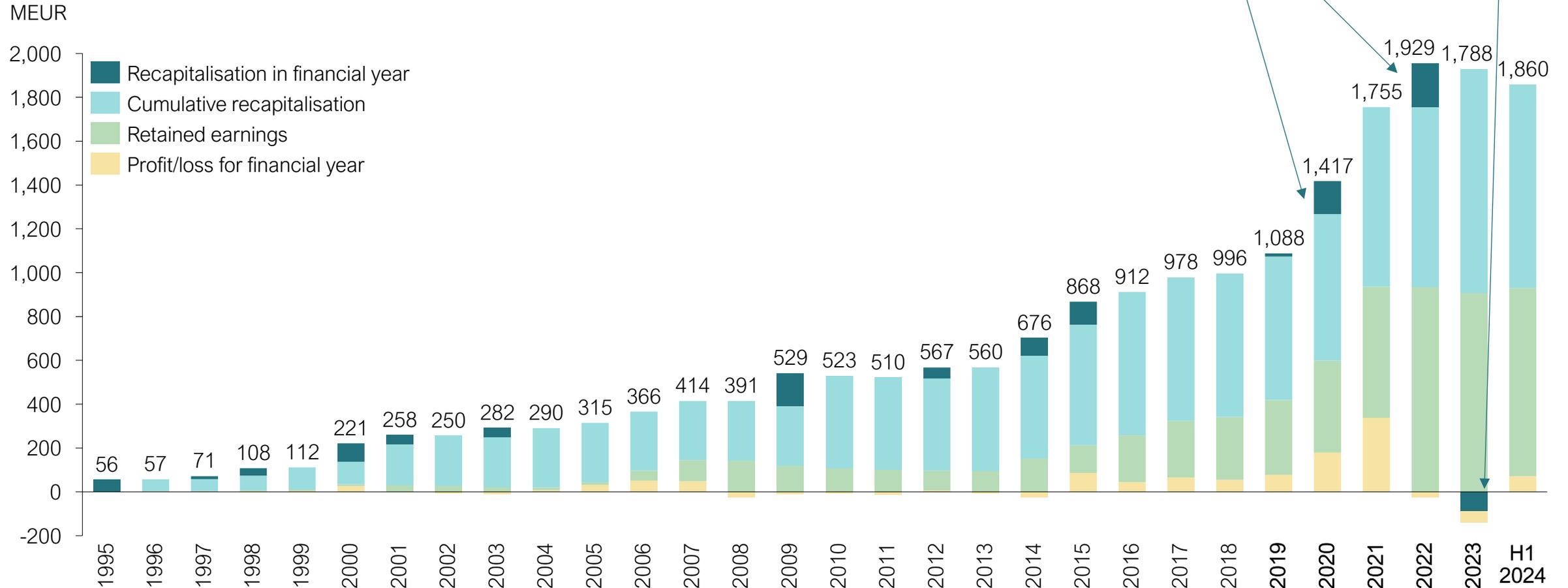
### OUR VISION

Finland has the strongest and most competitive startup and growth company ecosystem in Europe



# Operating on market terms profitable over the long term

Tesi's shareholders' equity 1995 – H1 2024 (MEUR)\*



\* Figures from 2014 onwards also include unrealised gains on investments in the IFRS group.

\*\* In 2023, a total of EUR 90 million was returned to the state in the form of funds returned from investments made from their corona-specific special investment programmes.



# Our investment operations

1.1.–30.6.2024



# Investments in Tesi's balance sheet

30 June 2024

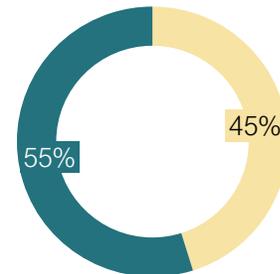


portfolio funds



portfolio companies

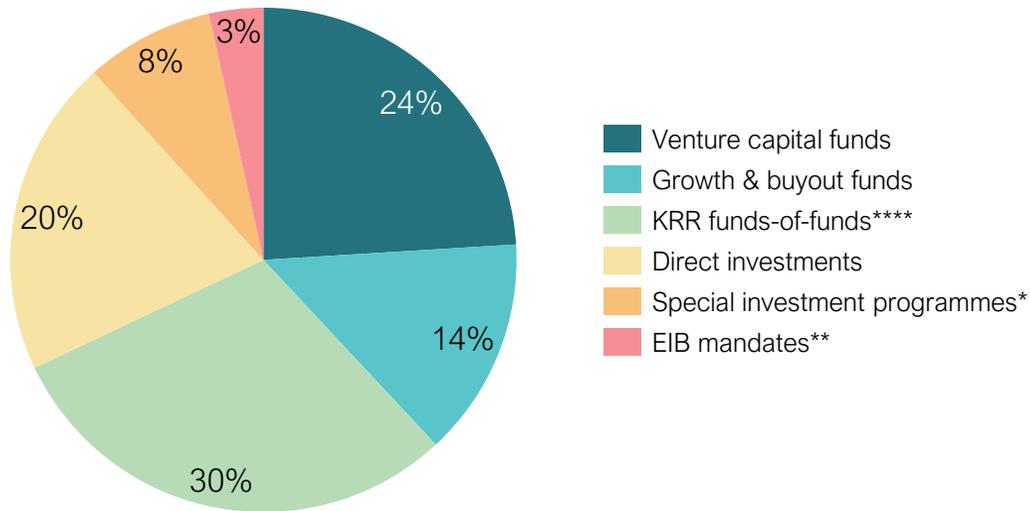
Distribution of investments by value (NAV)



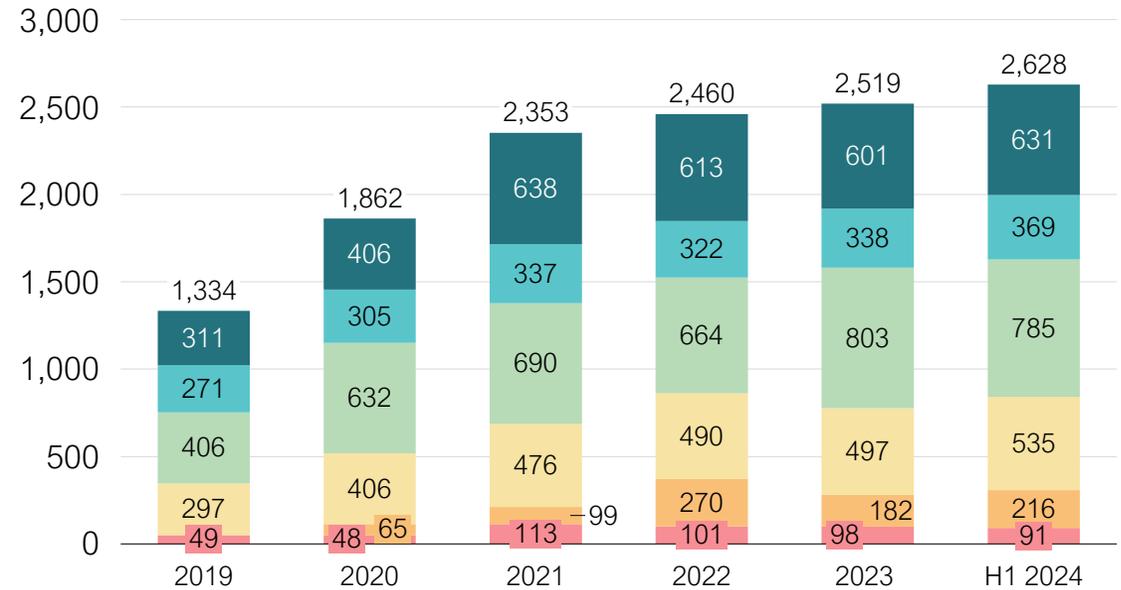
■ Fund investments  
■ Direct investments

# Assets under management EUR 2.6 billion

Investments under management  
EUR 2,628 million (30 June 2024)



Investments under management, EUR million\*\*\*





# Key figures

1 Jan – 30 June 2024



Result



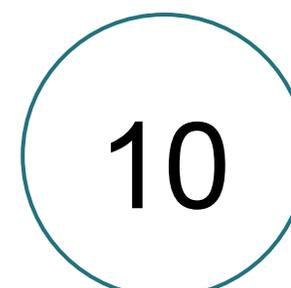
Commitments and investments



Fund commitments made



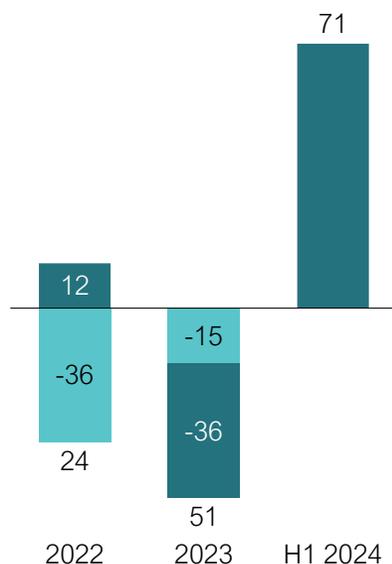
Direct investments made



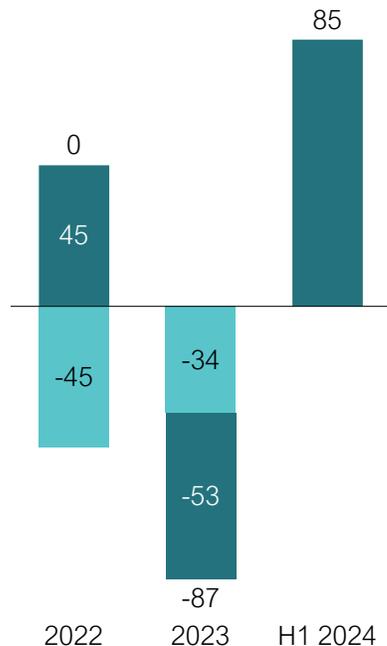
Exits from target companies

# Results of Tesi's operations 1 Jan – 30 June 2024

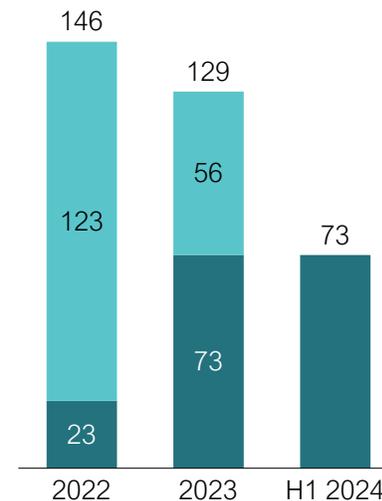
Consolidated profit/loss  
EUR 71 million



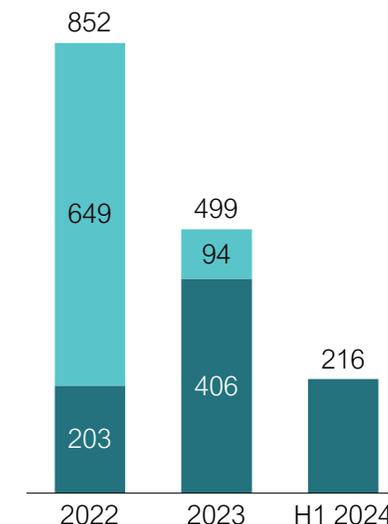
Returns on Tesi's VC & PE investments  
EUR 85 million



International capital for Finnish companies from Tesi's investment partners\*  
EUR 73 million



Tesi's Finnish portfolio funds raised new capital totalling  
EUR 216 million



Our business operations are market-driven and profitably over the long term.

We develop Finland's venture capital and private equity market.

# Direct investments made

1 Jan – 30 June 2024

## Initial investments

ONEGO<sup>bio</sup>

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## Follow-on investments

  
FINNFOREL

  
VIRTA

  
SISU

 NORSEPOWER

 HYDROLINE

  
ROCsole

 valpas

 RUOKABOKSI

 HVR Cardio  
HELIX VALVE REPAIR

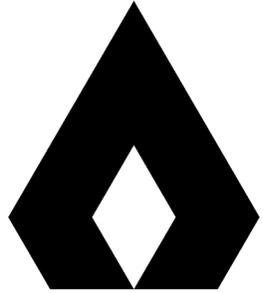
  
meeat.

 BC Platforms

 tilt<sup>®</sup>  
BIOTHERAPEUTICS

FIFAX

# Fund commitments issued\* 1 Jan – 30 June 2024



NORDIC SCIENCE  
INVESTMENTS

## NSI Nordic Science I Ky

Nordic Science Investment (NSI), which has set up its first fund, is backed by a team of experts in the commercialisation of research-based innovations (technology transfer) and invests in the potential of research-based innovations.

CapMan

## CapMan Growth Equity Fund III Ky

CapMan Growth makes active minority investments in entrepreneurial growth companies. In addition to Tesi, the KRR fund-of-fund (KRR IV) it manages also made a commitment to the third fund by the said GP. Tesi has invested in CapMan Growth's two previous funds, and KRR III has invested in the second.

# Exits from portfolio companies 1 Jan – 30 June 2024

ultimate.ai

AIRMODUS

**Blok**

bioretec

 AQUAMINERALS

FLEXOUND™  
THE AUGMENTED AUDIO COMPANY

INJEQ

Minima

**Maas**  
GLOBAL

 glue.



# ONEGO<sup>bio</sup> – animal-free egg-white

Onego Bio develops and commercialises Bioalbumen®, an animal-free egg-white. The production process equals a dramatic 90% reduction in greenhouse gas emissions and a 95% decrease in land use ([Nature Food 2021](#)). Egg protein produced without chickens also provides a sustainable and stable supply of one of the most versatile and most used protein sources by the food industry.

In its Series A round of spring 2024, Onego Bio secured some EUR 37 million in growth funding while Tesi made its initial investment in the company.

Sustainable food production is part of clean economy, a strategic investment theme for Tesi that it emphasises in its investment operations.

[Read more about Onego Bio and its growth funding.](#)

”Tesi aims at establishing centers of expertise in Finland through its investment operations. Onego Bio serves as a notable illustration within the realms of bio and food technology regarding such cluster formation. The growing demand from global food companies, food industry players, and consumers for environmentally sustainable and ethically sourced raw materials and products presents a significant market potential for innovative solutions.”

Keith Bonnici, Investment Director, Tesi



NORDIC SCIENCE  
INVESTMENTS

## – companies out of university innovations

**Nordic Science Investments (NSI)** is backed by a group of experts in commercializing research-based innovations (technology transfer), and it invests in the potential of innovations arising from research and science. In addition to growth financing, the company provides strategic support, networks, and assistance in building teams for early-stage spinout companies to launch their businesses.

In spring 2024, the team announced its first fund, with a target size at EUR 80 million. Since then, the fund has already made eight investments.

Deep tech is a strategic investment theme for Tesi that it emphasizes in its investment operations.

[Read more about NSI's first fund and the team behind it.](#)

“According to our survey published in 2023, the number of new deep tech companies is declining. Investing in specialised funds, especially in new teams, is an excellent way to address this negative trend. Nordic Science Investments brings significant new capital and expertise to the benefit of Finnish science- and research-based startup companies.”

**Samuel Wendelin**, Investment Manager, Tesi



## Tesi's ESG toolkit – promoting sustainable practices

Tesi has published three freely-downloadable sustainability tools to advance sustainable practices across the whole of startup and growth company ecosystem.

The SG Matrix provides assistance in developing aspects associated with people (S) and governance (G) in startups and growth companies. The matrix covers more than 50 topics relating to social responsibility (S) and the principles for good corporate governance (G). The tool can also test the impacts that growth in personnel will have on statutory obligations and practices.

The ESG Handbook is in PDF format and consists of three units. The first two units address the convergence

of sustainability and strategy: how to determine the E, S and G issues pertinent to the company, and how to embed the focus areas identified as important to the company into its strategy. The last unit lists practical guidelines for developing sustainability in 17 different areas.

The carbon neutrality tool includes both the basics for reducing greenhouse gas emissions as well as practical instructions and examples for starting carbon footprint calculations. Also included is an easy-to-use, Excel-based carbon footprint calculation tool.

[All these materials and tools are available on our website.](#)

## Tesi's studies – up-to-date market insights

We use our self-built data model in our own analyses as well as in sharing broader insights for the market.

The data we share with the market includes information about the financing of growth companies in different sectors and the development of clusters of expertise. Sharing market data is part of our strategy, and producing and sharing it is part of our mission to develop Finland's venture capital and private equity market.

We published the following market

studies during the first half of 2024:

- [Clean tech companies in Finland](#)
- [Clean tech companies in the Nordics](#)
- [Survey of investment returns](#)
- [Growth Company Pulse Survey](#)



# Profit/loss and balance sheet

1.1.–30.6.2024

# Profit/loss and balance sheet

## 1.1. Jan – 30 June 2024

- All the investment allocations – VC & PE funds, direct investments and special investment programmes – were profitable.
  - The positive development is linked to the valuations of the European venture capital market. Significant value increases in a few individual portfolio companies made funds and direct investments profitable in the early-stage venture investment category.
  - Tesi's direct later-stage portfolio companies continue to suffer from a difficult economic environment.
- The company's investment activities, including VC & PE investments and financial securities, were EUR 96 million in profit.
- During the period under review, the balance sheet increased by EUR 87 million, mainly due to the increase in the fair value of investments.
- The group's financial assets, which safeguard the continuity and liquidity of the company's investment activities, amounted to EUR 333 million (30 June 2024), excluding capital reserved for special investment programmes. The total outstanding off-balance sheet investment commitments of Tesi's venture capital activities amounted to EUR 474 million. The financial assets therefore represented 70% of the commitments. This liquidity ratio has fallen further since the reporting period, and its future development will be significantly influenced by developments in the exit market.

### Consolidated statement of comprehensive income IFRS

EUR thousands	1-6/2024	1-6/2023	Change
Net gains from funds	48,320	-25,839	74,159
Net gains from direct investments	27,314	-26,755	54,069
Net gains from special investment programmes	8,878	-573	9,451
<b>Net gains from investments, total</b>	<b>84,512</b>	<b>-53,167</b>	<b>137,680</b>
<b>Other operating income, total</b>	<b>12,298</b>	<b>12,708</b>	<b>-410</b>
<b>Operating expenses</b>	<b>-8,288</b>	<b>-6,495</b>	<b>-1,793</b>
<b>Operating profit</b>	<b>88,522</b>	<b>-46,954</b>	<b>135,477</b>
Financial income and expenses	547	1,696	-1,149
<b>Profit before taxes</b>	<b>89,069</b>	<b>-45,258</b>	<b>134,327</b>
Income taxes	-17,814	9,391	-27,205
<b>Profit after taxes</b>	<b>71,255</b>	<b>-35,867</b>	<b>107,123</b>
<b>Total comprehensive income for year</b>	<b>71,255</b>	<b>-35,867</b>	<b>107,123</b>

### Consolidated balance sheet IFRS

EUR thousands	30.6.2024	31.12.2023	Change
<b>Assets</b>			
<b>Non-current assets</b>			
VC & PE funds	844,680	773,782	70,898
Direct investments	514,736	483,408	31,328
Special investment programmes	181,992	171,801	10,191
<b>VC &amp; PE investments, total</b>	<b>1,541,409</b>	<b>1,428,991</b>	<b>112,418</b>
<b>Other non-current assets</b>	<b>68,234</b>	<b>70,506</b>	<b>-2,271</b>
<b>Short-term assets</b>	<b>369,866</b>	<b>393,519</b>	<b>-23,652</b>
<b>Assets, total</b>	<b>1,979,509</b>	<b>1,893,015</b>	<b>86,494</b>
<b>Equity, total</b>	<b>1,859,643</b>	<b>1,788,387</b>	<b>71,255</b>
Non-current liabilities	117,491	97,552	19,939
Current liabilities	2,376	7,076	-4,700
<b>Liabilities, total</b>	<b>119,866</b>	<b>104,627</b>	<b>15,239</b>
<b>Equity and liabilities, total</b>	<b>1,979,509</b>	<b>1,893,015</b>	<b>86,494</b>



# Events after the review period

# Events after the reporting period and outlook

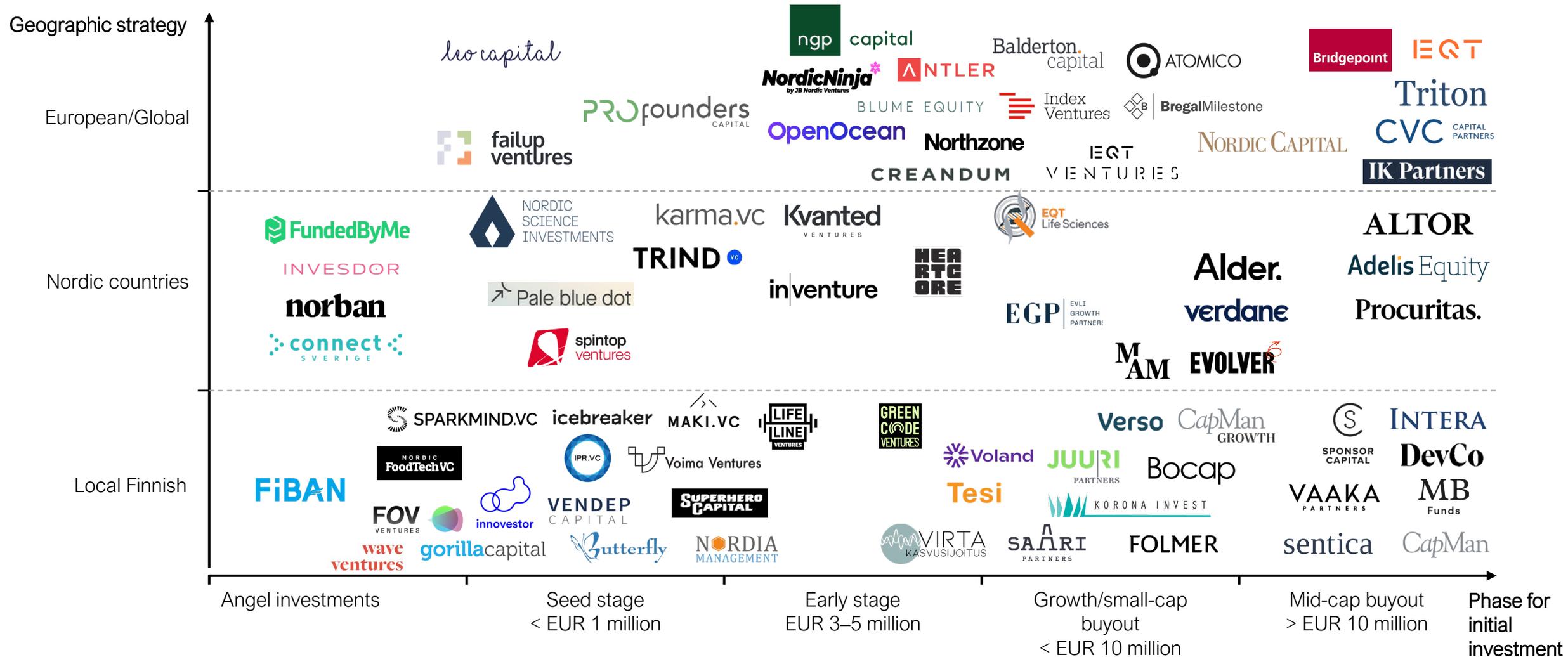
## Tesi's mandate and recapitalisation

- In the spring 2024 budget debate, the government decided to grant Tesi an additional EUR 300 million between 2025 and 2027, followed by a EUR 100 million allocation for 2025 in the autumn 2024 session.
- On 5 Sep 2024, the Government proposed both **an amend to the Act on Finnish Industry Investment (Tesi)** and a new act on a wholly state-owned limited liability company Teollisuustuki Oy, a separate subsidiary for state aid operations. The reform of the state's VC & PE activities was agreed in the government programme. The acts are intended to enter into force at a date to be determined by government decree at the end of 2024 or early 2025. [Read more on our website.](#)
- In May 2024, the decision was taken to close down the Finnish Climate Fund and Oppiva Invest in their entirety and Business Finland Venture Capital in its current form. The assets and liabilities of the companies will be transferred to the new Tesi Group at the time of implementation of the corporate restructuring, currently estimated to be 31 Jan 2025. Read more on the [website of the Ministry of Economic Affairs and Employment.](#)
- On 28 May 2024, the Ministry of Economic Affairs and Employment appointed a working group to prepare a proposal for **a new industrial policy investment strategy for the renewed Finnish Industry Investment (Tesi)**. The strategy draft was sent for consultation on 30 Sep. After the consultation round, the working group's proposal will be submitted to Minister of Economic Affairs Wille Rydman. Read more on the [website of the Ministry of Economic Affairs and Employment.](#)

## Tesi's investment activities

- In August 2024, **M-Files** entered into a binding majority investment agreement with Haveli Investments and Bregal Milestone. Thus, Tesi exits its investment. The transaction is expected to close in the fourth quarter of 2024. Financially, the exit is Tesi's largest in history. [Read more on our website.](#)
- Tesi has continued its normal investment activities. [The published investment news are available on Tesi's website.](#)

# Our investor partners are VC & PE investors from Finland and Europe, investing in companies in all their growth phases



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**Tesi**