

2016 report

What's inside?

About ESTVCA	3
Member portfolio overview	12
2016 Market Highlights	16
2016 Investment Activity	23
Baltic Innovation Fund	30
Methodology	34

1. ABOUT ESTVCA

Quick facts:

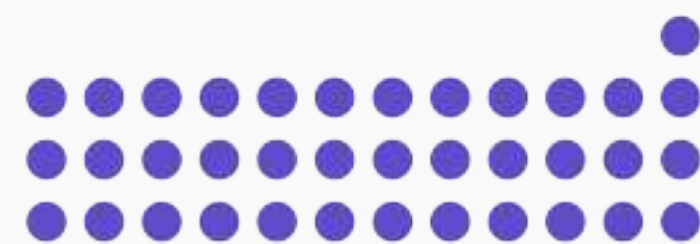
2009

established



38

members



93

active portfolio
companies



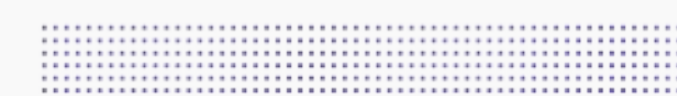
€880m

under
management



12383

employees in
portfolio
companies

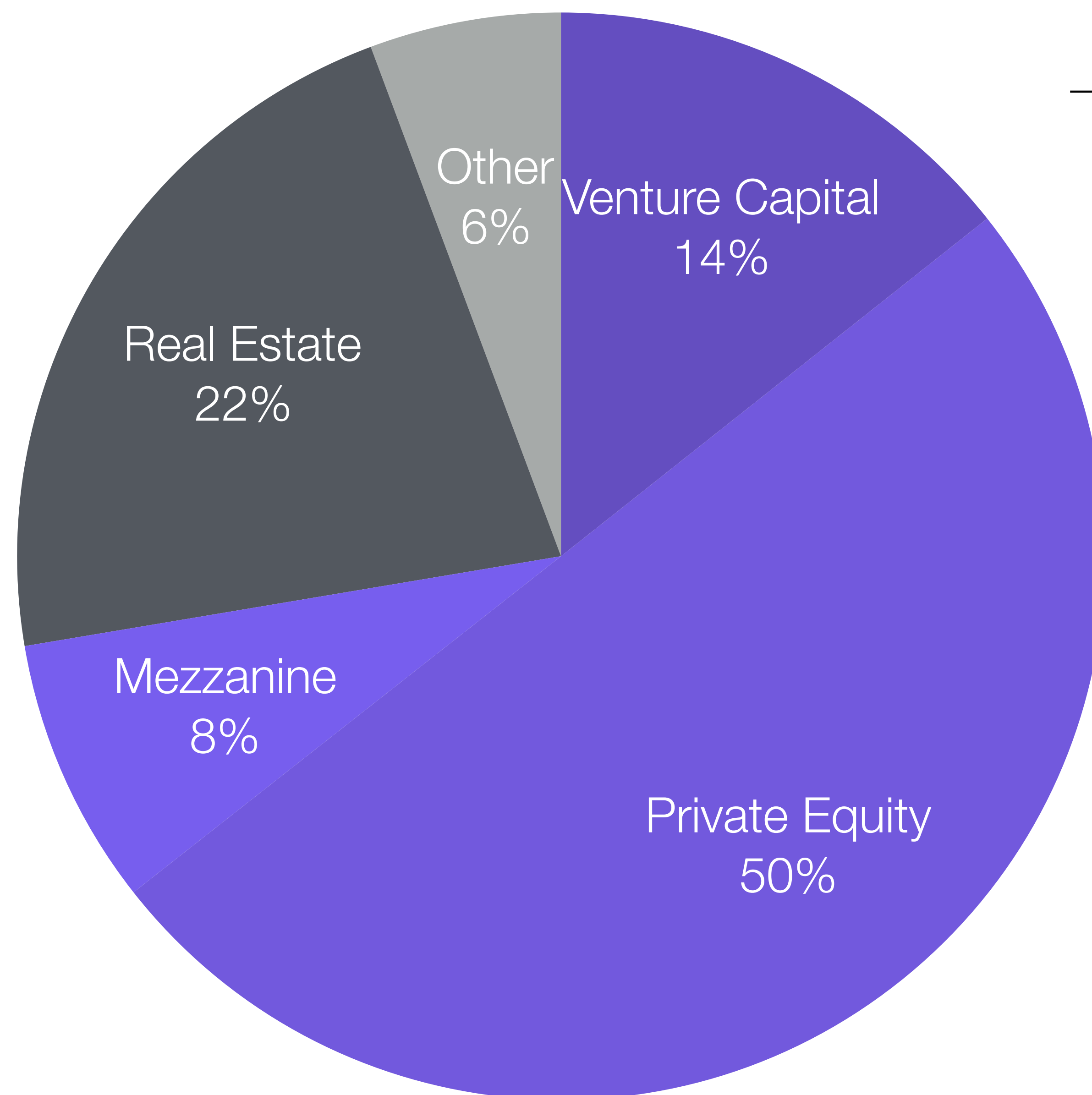


1,3bn

combined
turnover



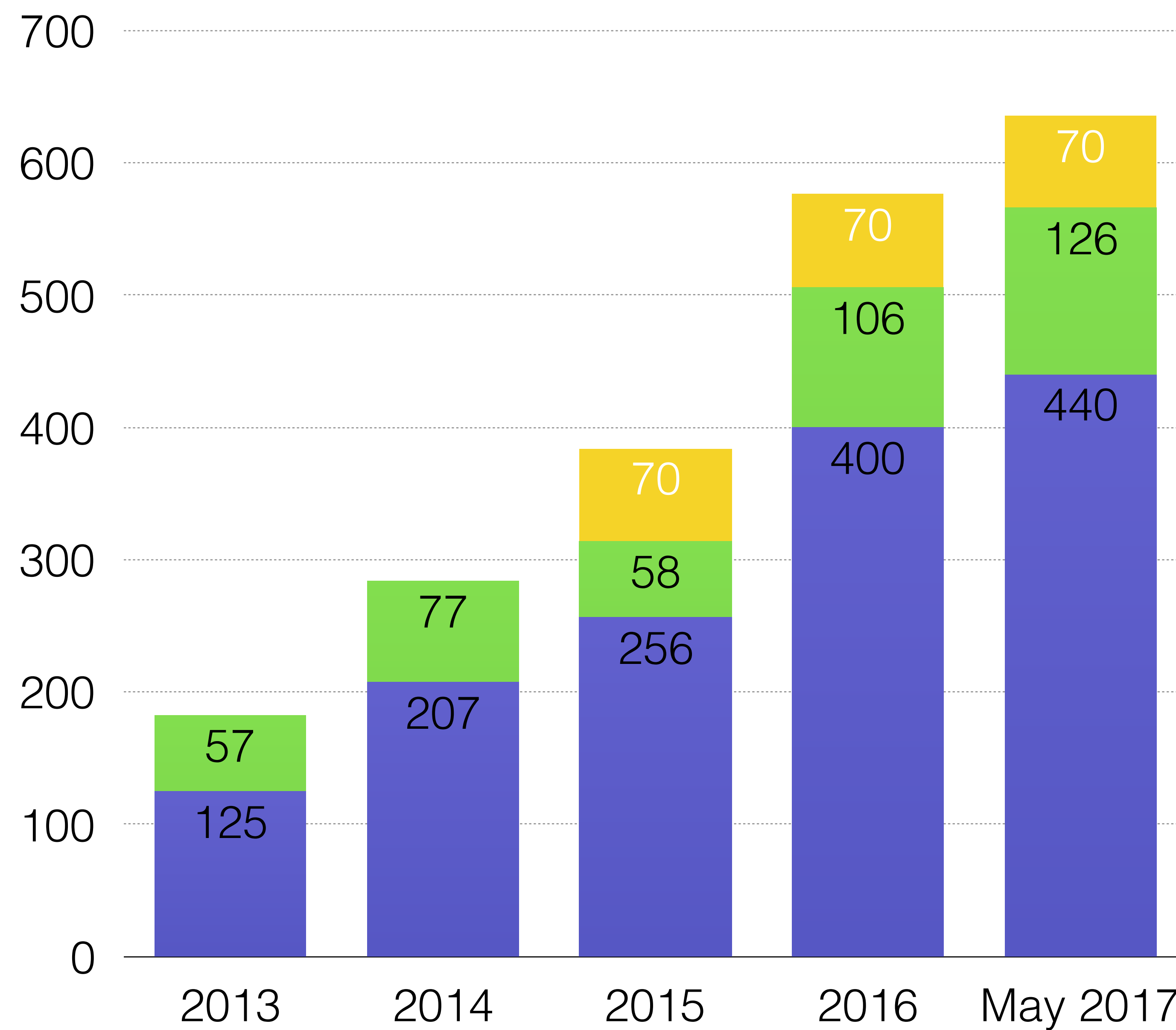
ESTVCA Member AUM allocation



Total AUM: €880m

PE/VC AUM €636m

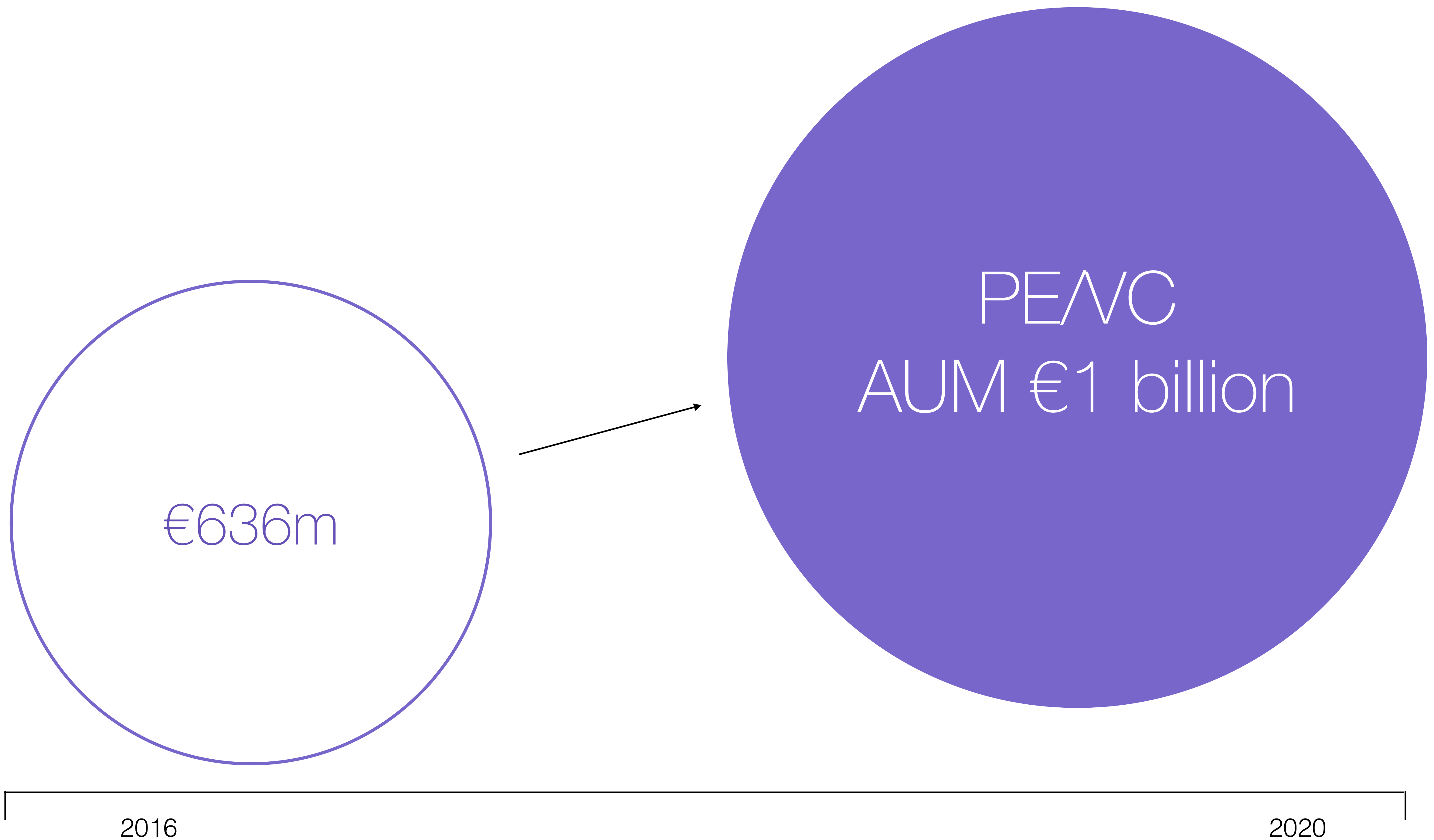
PE/VC allocation:











€636m

- Mezzanine
- Venture Capital
- Private Equity





















Goal 2020



Members: 15

<p>AMBIENT SOUND INVESTMENTS</p>	<p>BALTCAP</p>		
		<p>karma.vc</p>	<p>KREDEx</p>
<p>LHV</p>	<p>LIVONIA PARTNERS</p>		<p>Swedbank </p>
<p>TERA VENTURES</p>		<p>up  invest</p>	

Associate members: 23

				
			KAYES CONSULT	KEYSTONE ADVISERS
				PRIMUS
				
				

Collaboration Partners

 <p>REPUBLIC OF ESTONIA MINISTRY OF ECONOMIC AFFAIRS AND COMMUNICATIONS</p>	 <p>REPUBLIC OF ESTONIA MINISTRY OF FINANCE</p>	 <p>EUROPEAN INVESTMENT FUND</p>	 <p>European Bank for Reconstruction and Development</p>	 <p>THE VOICE OF PRIVATE CAPITAL VENTURE CAPITAL PRIVATE EQUITY INFRASTRUCTURE LONG TERM INVESTORS</p>
 <p>FINANCE ESTONIA.EU</p>	<p>teema / teenusmajanduse koda estonian service industry association</p>	 <p>ESTBAN Estonian Business Angels Network</p>	<p>STARTUP ESTONIA</p>	 <p>PRIVATE EQUITY INSIGHTS</p>

Our Team



KALMER KIKAS

Chairman of the Board
Managing Partner, **BPM Capital**



KRISTJAN KALDA

Member of the Board
Partner, **BaltCap**



KAIDO VESKE

Member of the Board
Partner, **Livonia Partners**



MARGUS UUDAM

Member of the Board
Partner, **Karma Ventures**



HEIDI KAKKO

Member of the Board
Managing Director, **ESTBAN**



ANTTI PERLI

Member of the Board,
Head of Legal Committee, **ESTVCA**
Counsel, **Ellex Raidla**



TÕNIS NÕMMIK

Member of the Board
Former Project Manager at
Swedbank Investment Funds



KRISTIINA VASSILKOVA

Managing Director
ESTVCA



KADRI LINDPERE

Head of Communications
ESTVCA

2.

PORTFOLIO OVERVIEW

ESTVCA member portfolio:

93 portfolio companies
39 HQ in Estonia (42%)

12 383

employees

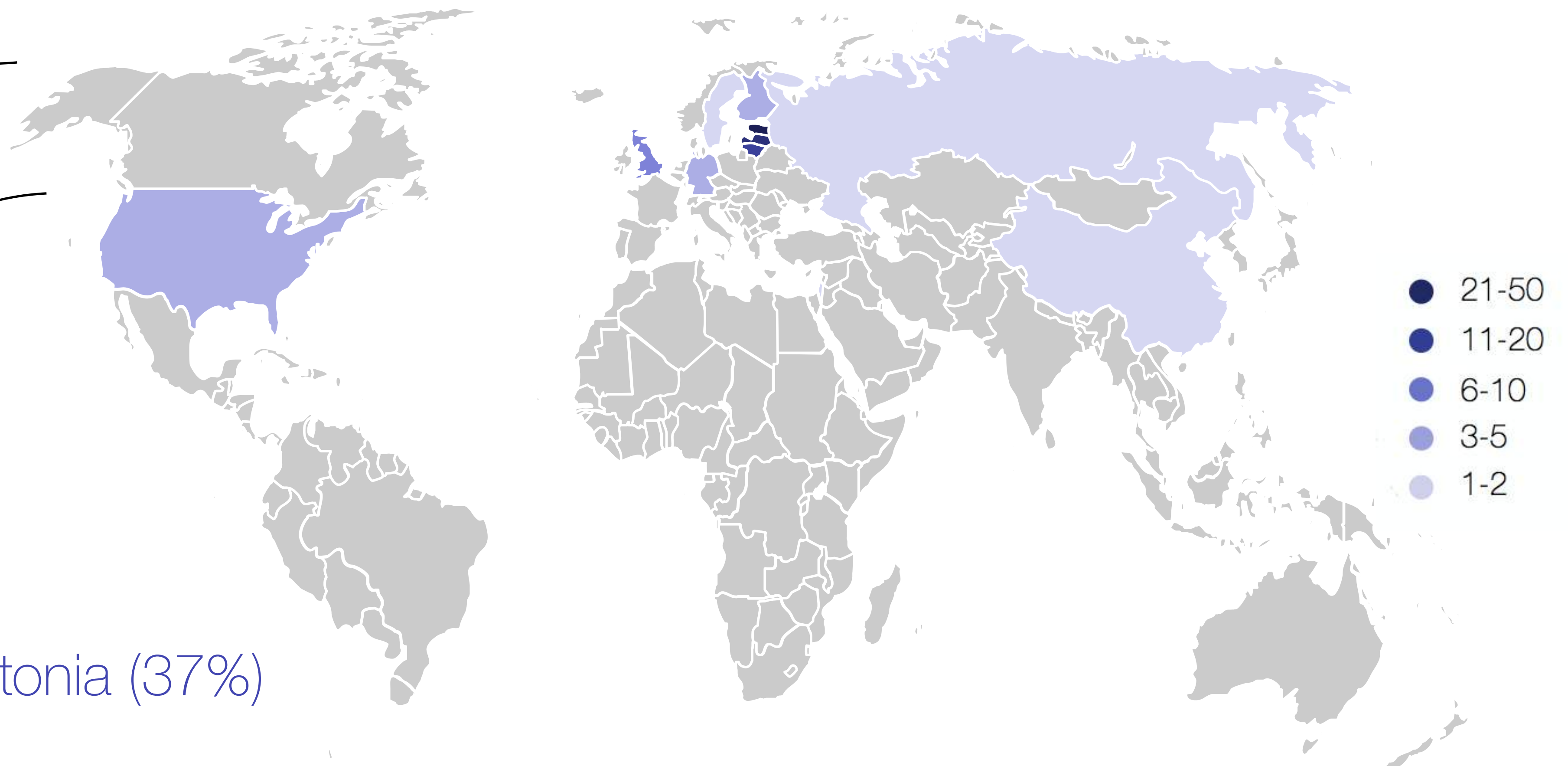


4880 in Estonia (39%)

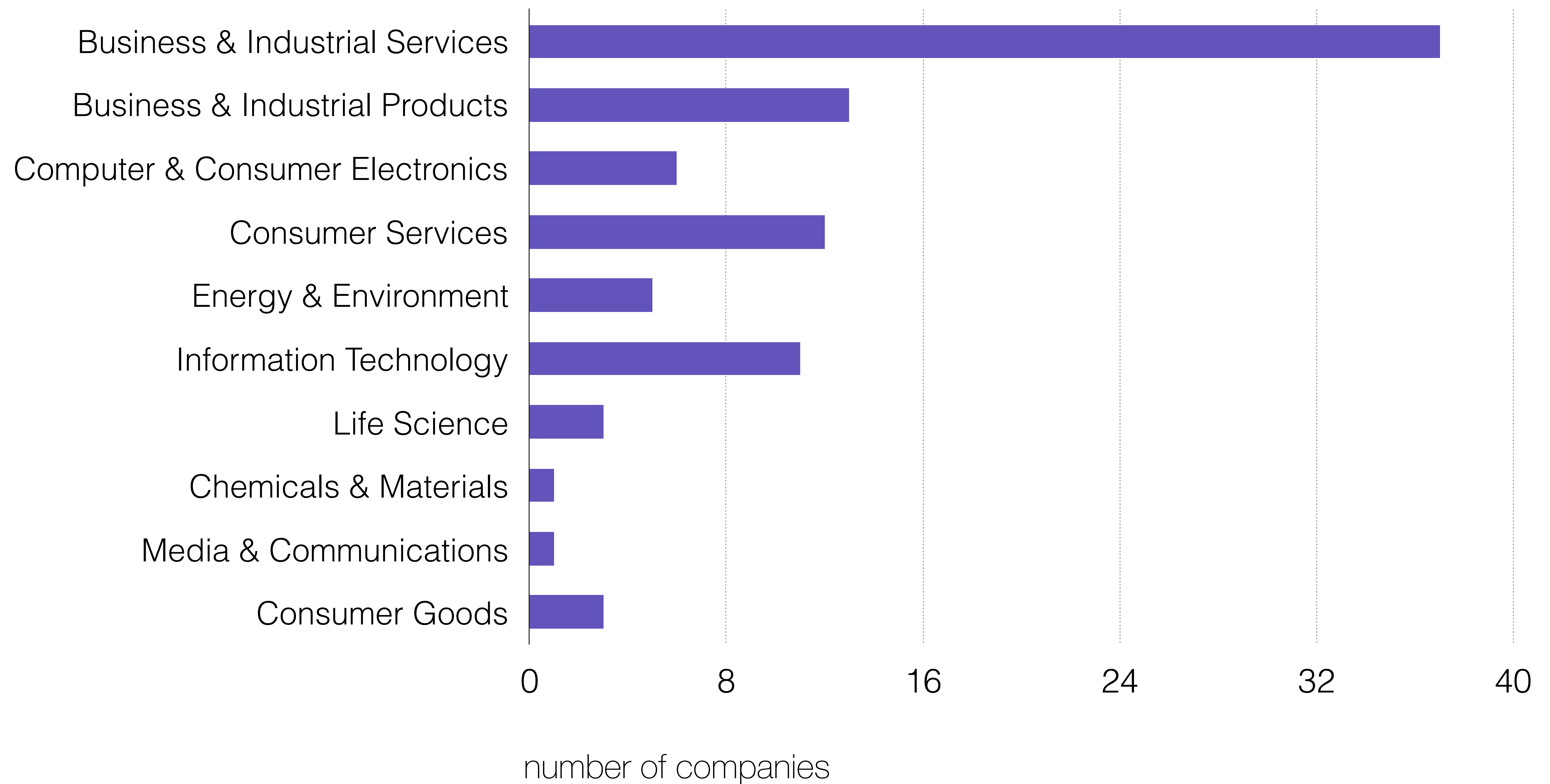
€1,3bn

combined turnover

€615m in Estonia (37%)

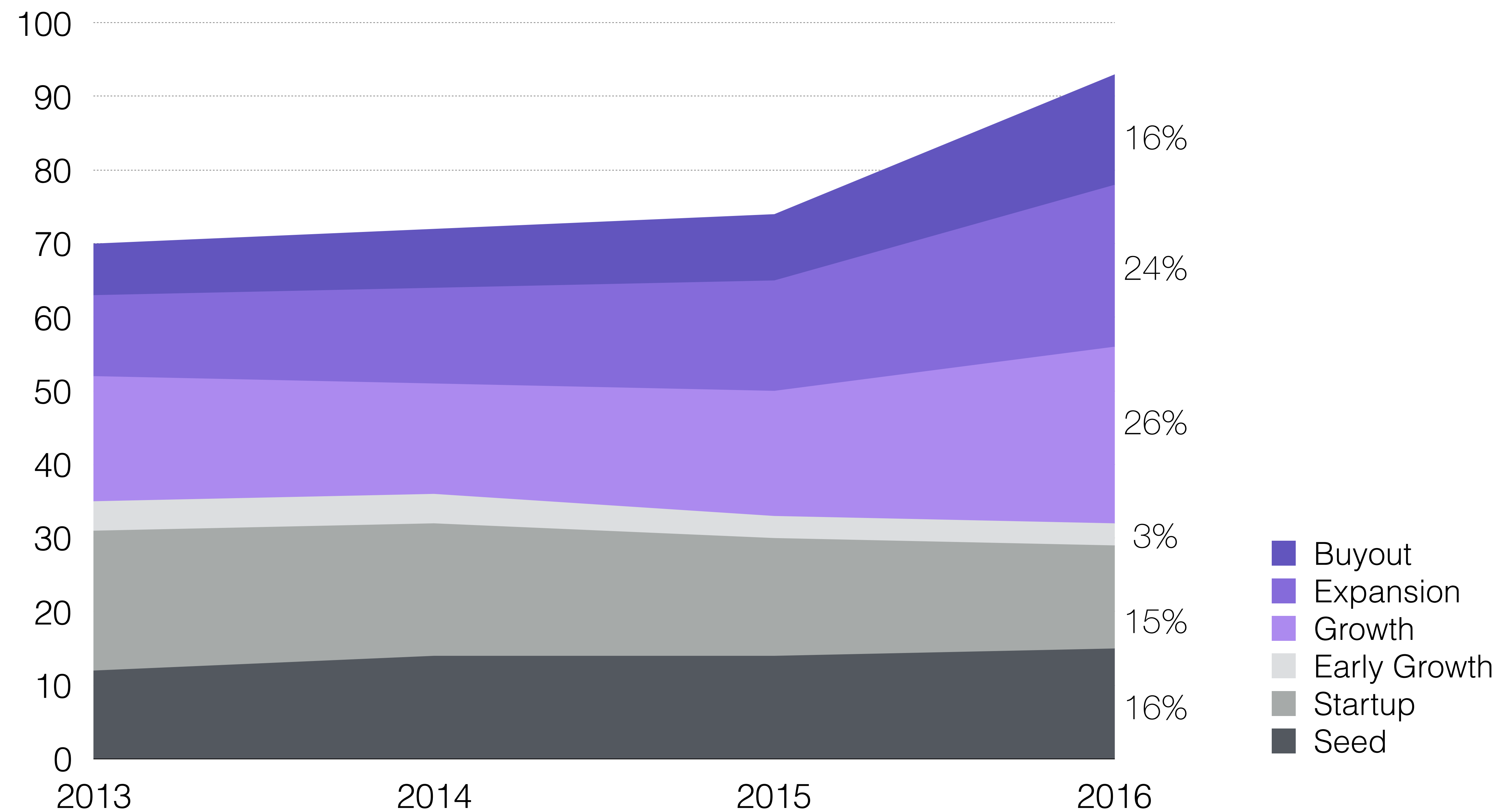


Distribution by sector:



Distribution by stage:

number of companies



3.

2016 MARKET HIGHLIGHTS

In February 2016 market welcomes new player - Karma Ventures who just launched €40m VC fund.



In March Government signs a €100m fund of funds agreement EstFund with EIF



In March EBRD announces
€100k tender to review and
improve Estonian Investment
Fund Act

In May ESTVCA Legal
Committee together with
its Latvian and Lithuanian
colleagues publish Baltic
M&A Deal Points Study
2016



In July Government approves the proposal of ESTVCA Legal Committee to ease the taxation of employee stock options



In August ESTVCA hosts very high-level Baltic VC Summit with 200 participants at Pärnu Bay Golf Links





Baltic Venture Capital market unites under a single flag - ESTVCA, LVCA and LT VCA sign the agreement to establish Pan-Baltic VCA

Reorganisation of SmartCap: call to transfer the management of existing VC portfolio to private fund manager



First official Pan-Baltic VCA
meeting takes place in Riga in
September



In October Estonian GP-s
together with Prime Minister
Taavi Rõivas have a
roundtable meeting with
Swedish LP-s in Stockholm

In co-operation with ESTVCA
Legal Committee, government
designs new Limited
Partnership fund regime which
was enacted with the New
Investment Fund Act in
December



Tera Ventures wins the call to
manage SmartCap's
portfolio

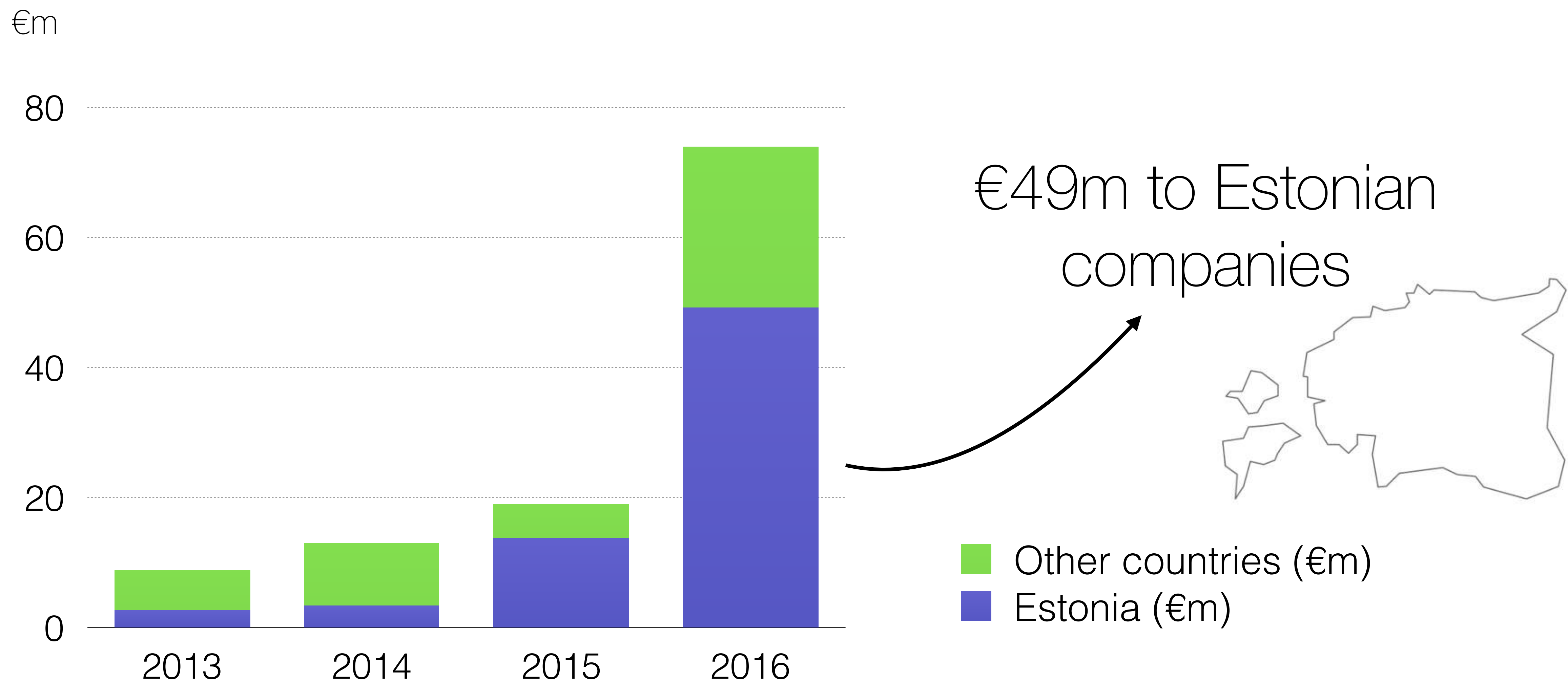


4.

2016 INVESTMENT ACTIVITY

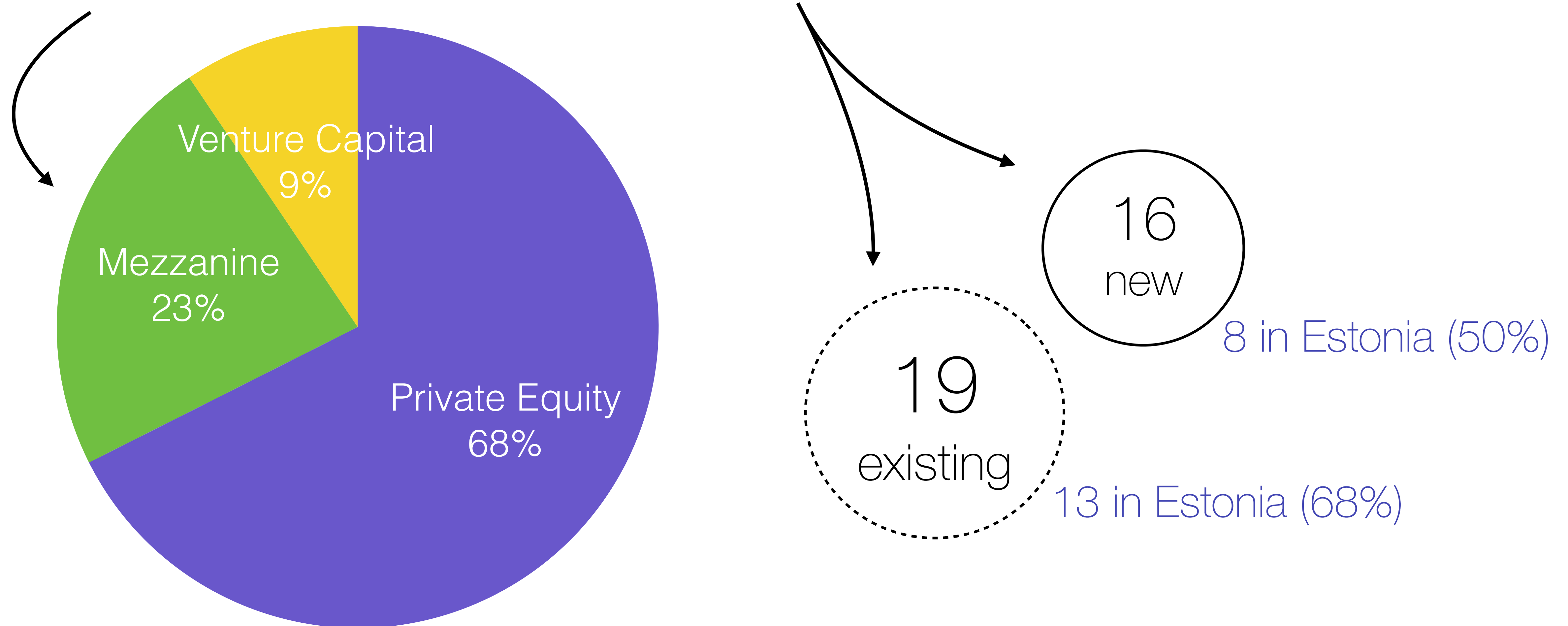
Surge in investment activity:

€74m invested (+385%)

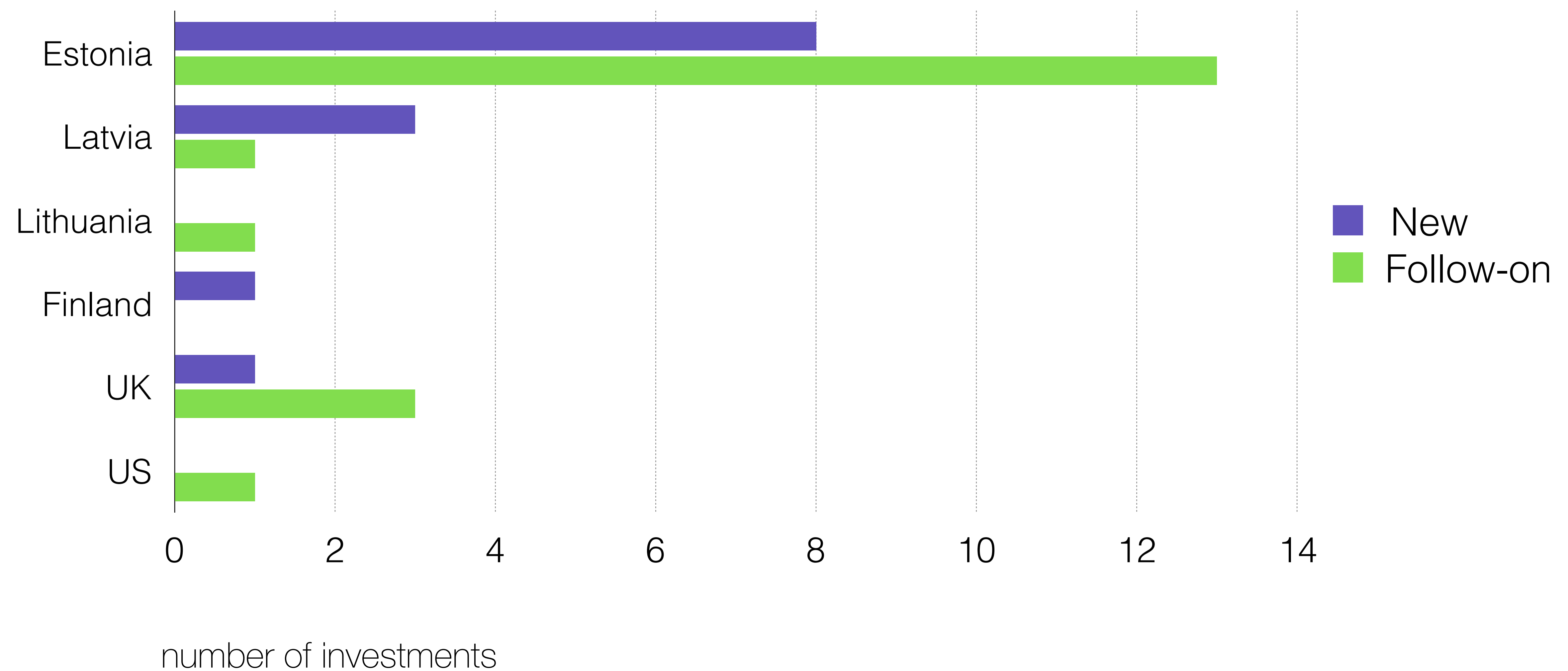


2016 investment activity:

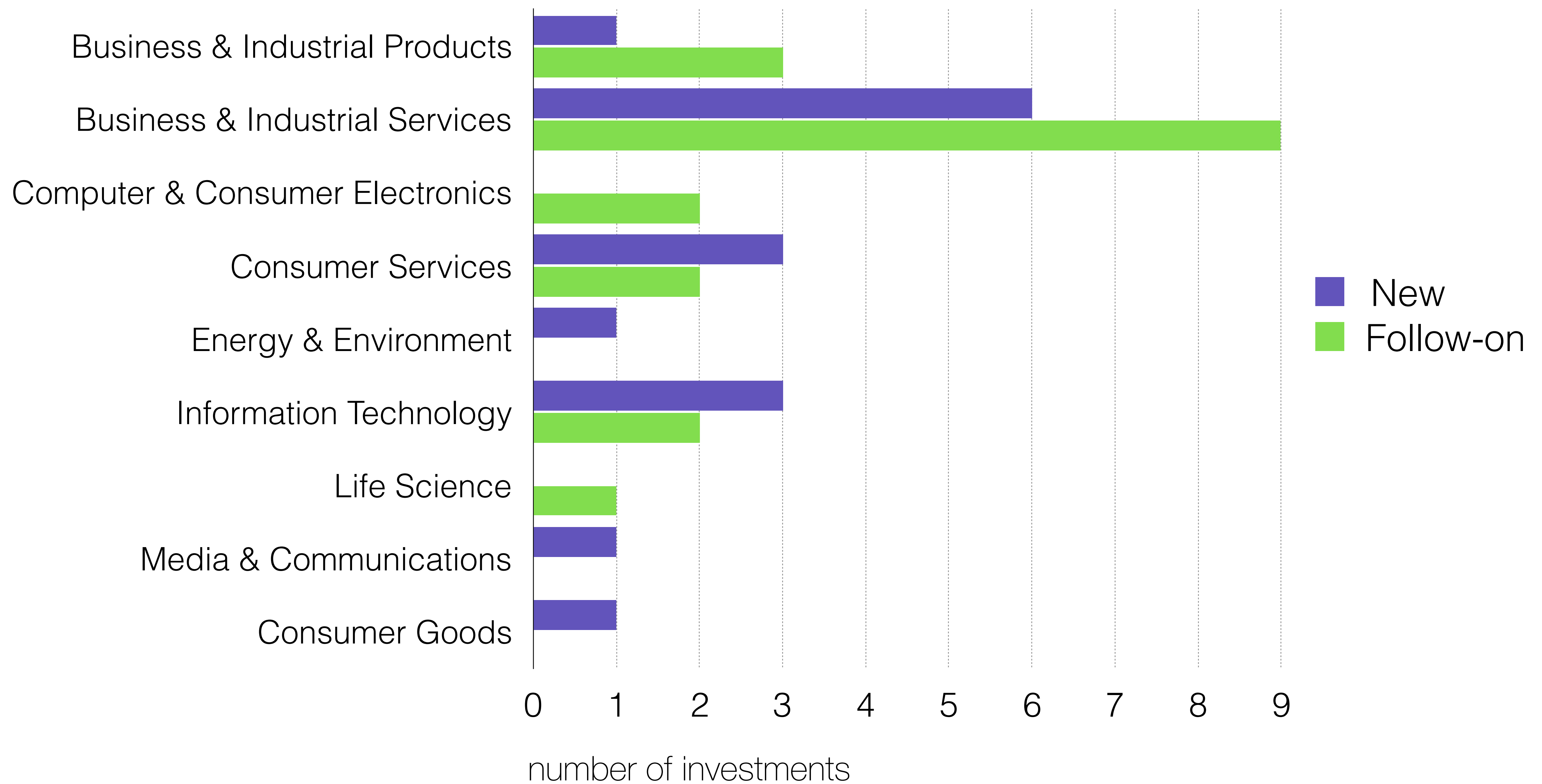
€74m invested in 35 companies



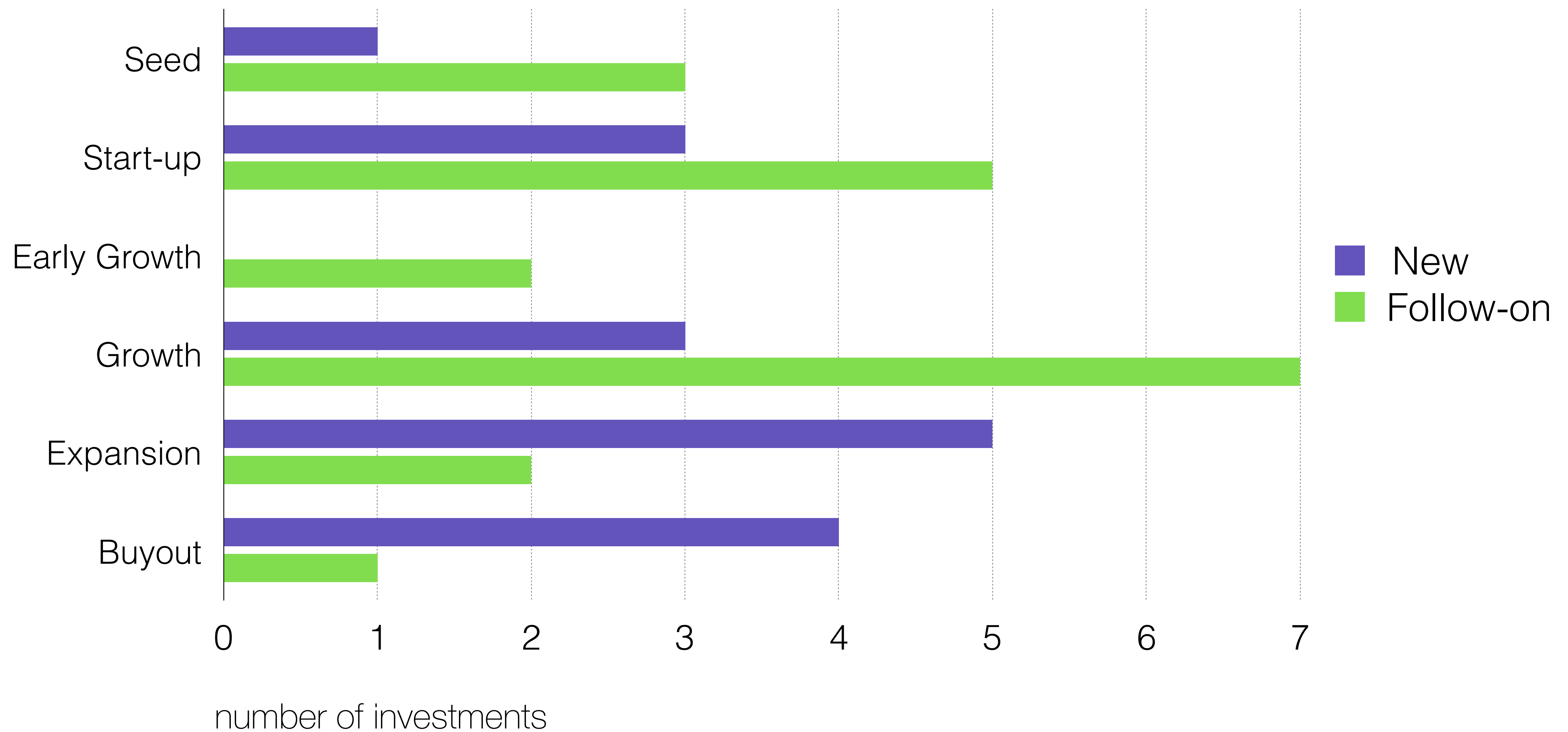
2016 investments by country:



2016 investments by sector:



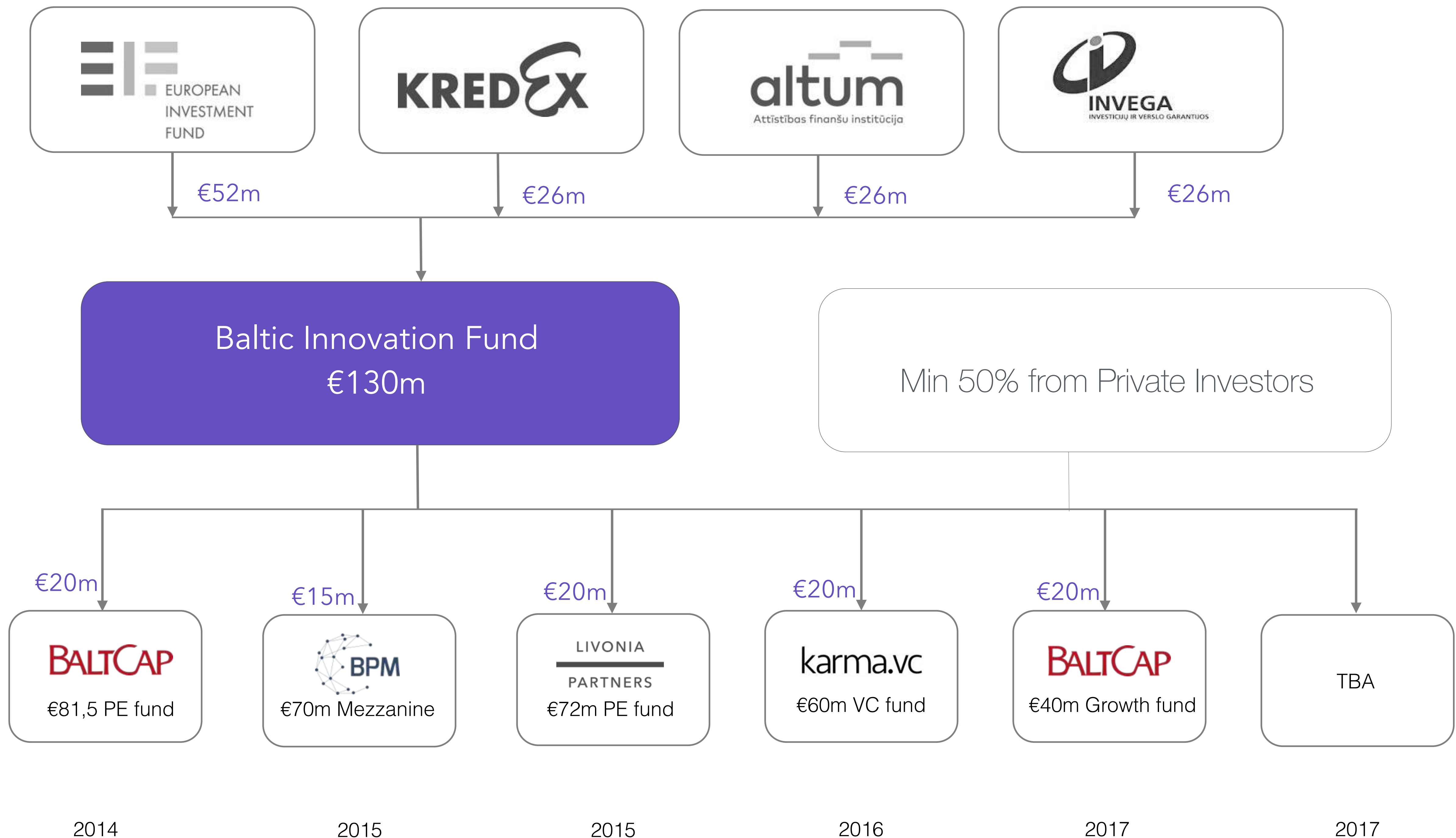
2016 investments by stage:



5.

BALTIC INNOVATION FUND

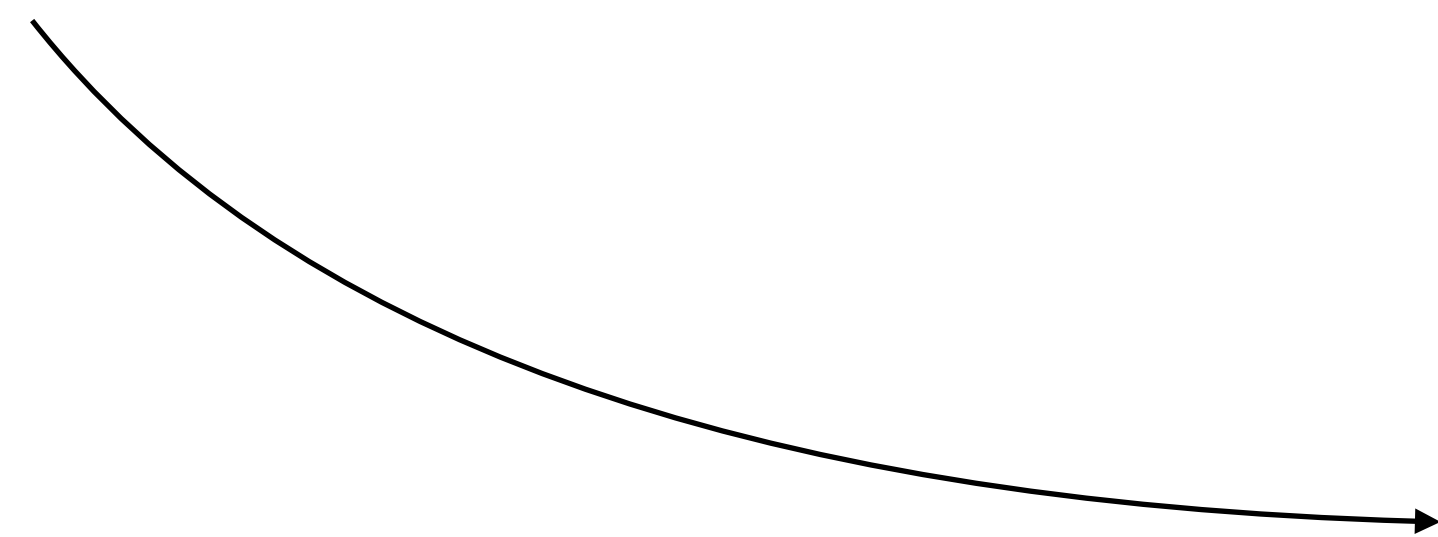
Baltic Innovation Fund Roadmap



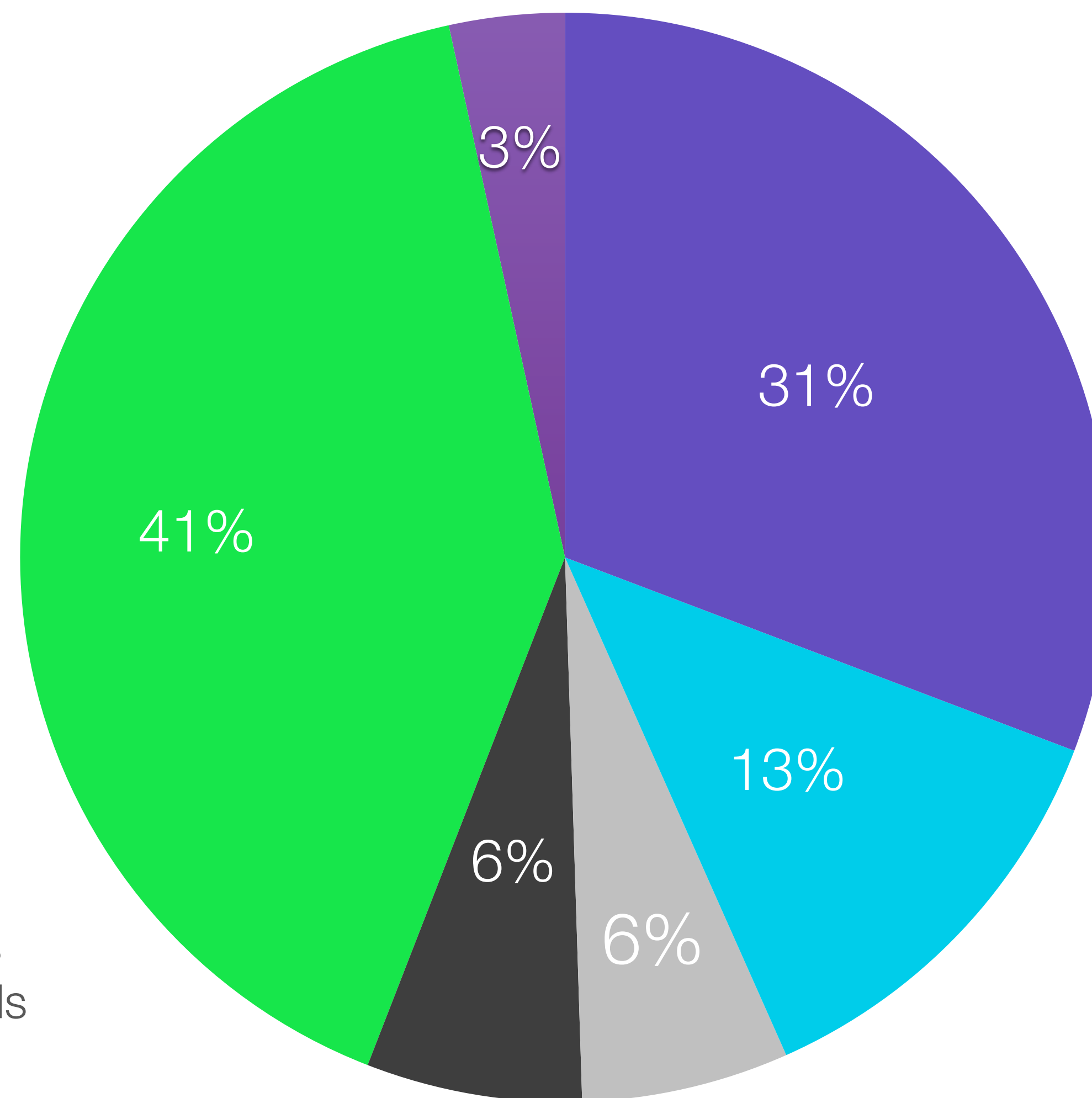
BIF: Funds raised €325m (May 2017)

€132m

from Domestic Pension Funds



- BIF
- EBRD
- Other institutions
- Family Offices & HNVI-s
- Domestic Pension Funds
- Teams (fund managers)



Baltic Innovation Fund

2013 5 €96m 20 3212 €219m €38m

established

no of
funds

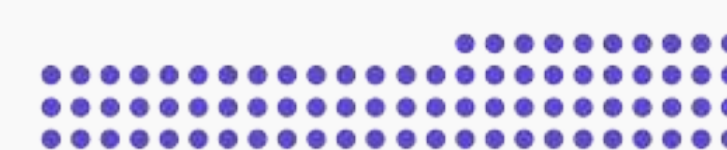
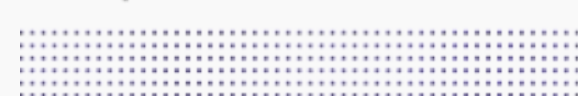
invested

no of
investments

employees in
portfolio
companies

combined
turnover

taxes paid



In Estonia:

1356 (42%)

€82m (37%)

€16m (41%)

6. METHODOLOGY

Methodology:

Aggregated data was collected from the following members:

BaltCap
BPM Capital
Livonia Partners
Karma Ventures
SmartCap
Ambient Sound Investments
Invesco Finance
UP Invest
United Partners

All definitions and classifications used are based on Invest Europe's standards.

Disclaimer:

The information contained in this report has been produced by the ESTVCA, based on collected data from its members. Although the ESTVCA has taken suitable steps to ensure the reliability of the information presented, it cannot guarantee the accuracy of the information collected. Therefore, the ESTVCA cannot accept responsibility for any decision made or action taken based upon this report or the information provided herein.

This report is intended for general information purposes only. It is not intended to constitute legal or other professional advice and should not be treated as such. ESTVCA does not assume any responsibility for any person's reliance upon the information contained herein.

Contact:



KRISTIINA VASSILKOVA
Managing Director
kristiina@estvca.ee
+372 57502049