

Welcome to the Nordic Innovation Ecosystem newsletter #9

Two days ago, Copenhagen Fintech – one of the main Nordic Fintech hubs – hosted the first part of the initiative: “Elevating New Nordic Fintech Innovation to Japan” together with The Royal Danish Embassy in Tokyo and Fintech Association of Japan.

At the conference, Japanese stakeholders experienced 18 Nordic Fintech startups demo their newest digital solutions, especially focusing on:

- ESG and Sustainability (2021.AI, DigiShares, Doconomy, Greater Than, Normative)
- SME/Enterprise Financial Solutions (Roger, Smallbrooks, HelloFlow, Softpay.io, Swiipe)
- Financial Inclusion (MakerDao, MyMonii, Pie Systems)
- Anti-Money Laundering, KYC and crime prevention (Chainalysis, Codesealer, NewBanking)
- Open Banking (November First, Subaio)

The event also included key notes on the recent trends in Nordics design thinking, and new approaches to open innovation and user-oriented fintech solutions – ever more important in the ongoing covid-reality.

In December, the event will be followed up by an Individual Corporate Demo Day, where the Japanese attendees will be offered a curated meeting with 4-8 hand-picked Nordic Fintech startups for a 2-3 hour demo session based on their specific needs and challenges.

The overall purpose of the event is to spur innovation, partnerships, and collaboration between Nordic startups and Japanese corporations to shape the future of financial services together.


Nordic Fintech should be relevant for Japanese stakeholders. The Nordic Fintech founders are amongst the most successful in Europe. 16% of all Fintech scaleups are located in the Nordic region, including Kaching, Anyfin, Tink, Pleo and Billogram, and the Nordics boast several Fintech unicorns, including iZettle, Klarna, Transferwise, Tradeshift and Bambora.


Now, another unicorn seems to be in the making, with [Chainalysis expecting to raise USD 100 million](#) venture capital at a USD 1 billion valuation next week. Chainalysis raised USD 6 million from [Sozo and Mitsubishi UFJ in 2019](#).


Part of the strength is derived from the fact that the Nordic societies are highly digitized and open to new technologies. Nordic countries were the first in Europe to set up real-time national payment infrastructures, laying the foundation for innovation in e- and m-commerce for the new generation of Nordic Fintech companies. This in turn has geared the Nordics into becoming some of the world’s most cashless societies: In 2016, cash was used in less than 20% of all Swedish transactions. The Bank of Finland has calculated that the use of banknotes in Finland will end by 2029, at the latest. In Norway, the issue of creating a cashless society by 2030 has been brought up as a political goal.


For further information on Nordic Fintech, contact Chief Innovation Officer at Copenhagen Fintech, Simon Schou.


SHORT NEWS FROM THE NORDICS


-  SE


[Northvolt](#), the manufacturer of electric batteries has raised a whopping [EUR 513 million](#).
-  SE

[Nilar](#), producer of battery and storage technologies received a [loan of EUR 47 million](#) from the European Investment Bank.
-  NO

[Cognite](#), developing industrial SaaS for asset-intensive industries, closes a series A round of [EUR 64 million](#).
-  DK

[Kaffe Bueno](#) producing cosmetic, food and beverages and other products from out of coffee waste, secures [EUR 1.1 million](#).
-  DK

[Lifeline Robotics](#) creates the world’s first automatic COVID-19 throat swab tester and receives [EUR 270.000 from Vækstfonden](#).
-  EE

Sales CRM software company [Pipedrive](#) is the newest European unicorn as they take [majority investment](#) from Vista Equity Partners.
-  FI

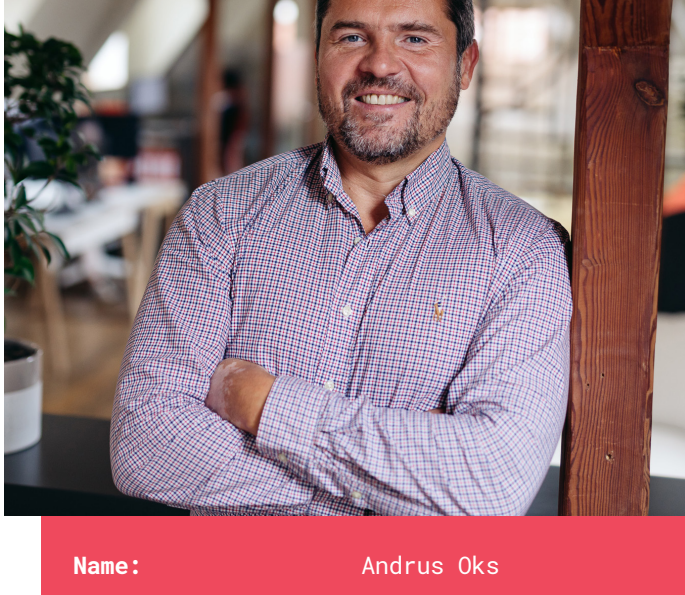
[IQM](#), the Finnish quantum computing hardware maker, pulled in another EUR 39 million for its ongoing [Series A funding round](#), led by the German VC MIG Fonds including Tencent joining in.

INTERVIEW WITH TERA VENTURES

**What type of tech solutions, startups and markets do you invest and operate in?** Tera Ventures is industry and business model agnostic however, we gravitate towards some themes such as; AI and Machine Learning over the last decade. We have a high-conviction and hands-on investment model that allows us to build knowledge across various industries as our portfolio companies mature. Our home market is Estonia, we are also investing in Nordic countries, Baltics, Poland and Czech Republic.

**Why has there been so much interaction between the Estonian and Japanese innovation ecosystem?** Japan and Estonia have many similarities, not least is the journey of digital transformation. Over the last five years we have noticed significantly more interest in Estonia, which has built one of the most digitally advanced societies. This has laid the framework for a thriving innovation ecosystem. One of the largest Japanese corporations actually sent a representative to live and work here in Tallinn, citing “Estonia is living in the future” as the reason. At Tera Ventures, we have welcomed this interest in our corner of the world and turned our focus to building strong relationships with significant Japanese partners. For Tera Venture Fund II, we have two such stakeholders from Japan; Itochu Corporation and Mistletoe. This is a result of our efforts to build Japanese partnerships and our portfolio companies’ traction in Japan; such companies include; Lingvist (Rakuten), Fits.me (Rakuten), Realeyes (NTT Docomo, Global Brain, NEC), Cleveron (POCs with various large Japanese corporations), Jobbatical (Mistletoe). Beyond our portfolio companies there are many other deals between Estonian startups and Japanese investors and corporations.

**What are the main barriers for getting Japanese companies to invest into Nordic startups?** Fundamentally, the largest obstacle is the lack of awareness between ecosystems and the potential value they can add to each other. In general, it takes time to build strong relationships and then it takes longer to build trust that can lead to an investment. Building trust between cultures takes even longer and requires more effort due to physical distance. As previously mentioned, the Estonian and Japanese ecosystems have been putting in the hours over countless trips and business deals. Many market players have contributed to this, incl. Estonian Government which has accelerated the process of creating awareness about our ecosystem to Japan and vice versa. Furthermore, I think there is a significant fit in terms of business culture between Japan and Estonia.



Name:	Andrus Oks
Position:	Founding Partner
Organisation:	Tera Ventures
Ecosystem location:	Tallinn, Estonia
Investment ticket /size and type:	EUR 200,000 – 1.5 million equity and convertible
Fund size:	EUR 28 million
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BULLETIN BOARD

- EVENT

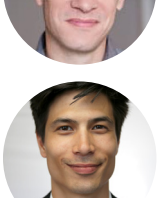
26 November - [Nordic Digital Transformation \(DX\) and the New Japan](#) online pitch showcase of 7 exciting Nordic startups tackling a wide variety of industries in digital transformation facilitated by [Nordic Innovation House Tokyo](#), incl. a keynote by the Japanese Ministry of Economy, Trade and Industry about digitalization in Japan.
- EVENT

1-3 December - [TOKYO X DENMARK WEEK 2020](#), is an online festival exploring the future of connecting design, health, branding and smart cities in a Danish-Japanese context organised by [Ayanomimi](#).
- ACCELERATOR

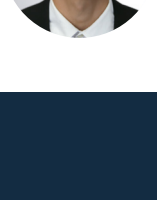
[X-Hub Tokyo Global Accelerator program](#) for all fintech, mobility and Life-Science startups looking to expand to Tokyo. Deadline is 30th of November.
- ACCELERATOR

[Food Tech Studio Bites](#), an open innovation initiative led by Japan’s food industry giants. Focus areas are wellness & health, next-gen foods, food sustainability, and more. Deadline is 30th of November.

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