

 PFR Ventures

# VC transactions on the Polish market Q1 2020 summary



European  
Funds  
Smart Growth

European Union  
European Regional  
Development Fund



# Authors

## PFR Ventures

PFR Ventures manages 7 fund of funds that, together with private investors, business angels and corporations, invest in Venture Capital and Private Equity funds. Their goal is to provide capital to Polish, innovative enterprises at early stages of development. Currently, PFR Ventures has over 50 funds in its portfolio that have made total of 250 investments.

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## Team



**Joanna Depta**  
investment analyst , PFR Ventures



**Łukasz Kajdas**  
investment associate, PFR Ventures



**Filip Milewski**  
expert, National Centre for Research and Development



# Overview

Key data for first quarter of 2020

▶ **55**

transactions executed

▶ **42**

EUR mln of provided capital

▶ **45**

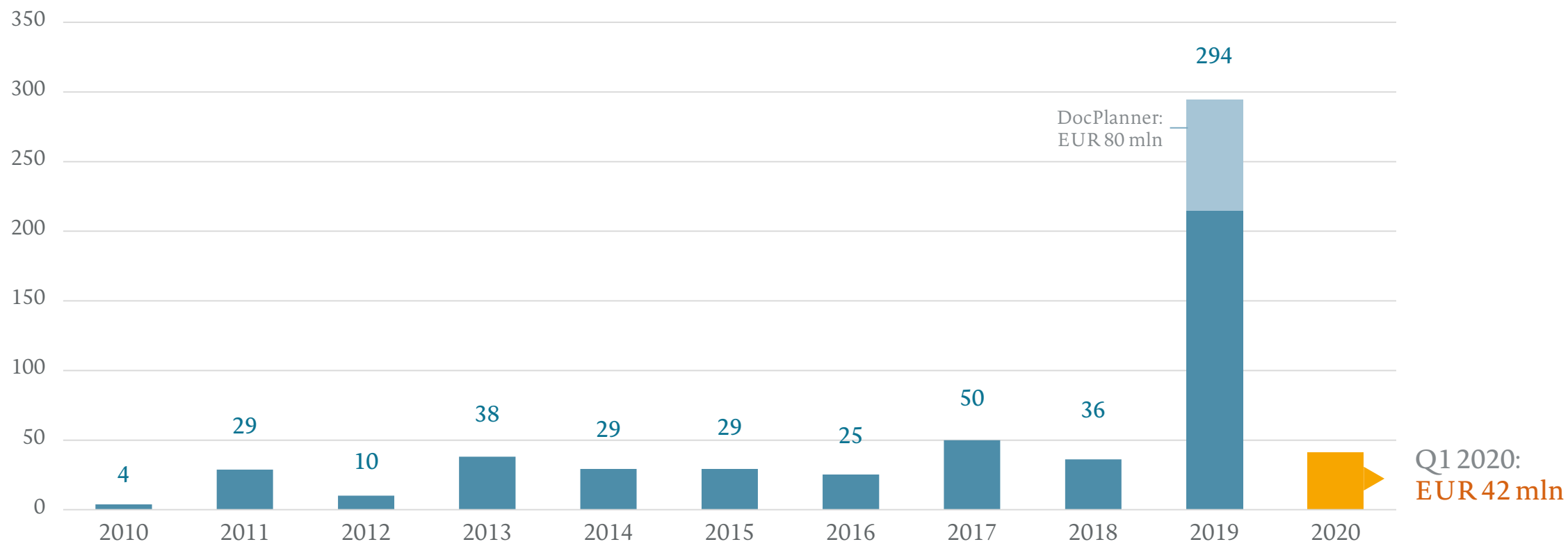
VC funds engaged

▶ **60%**

of the capital comes from top 5 rounds

# VC investments in Poland in 2010–Q1 2020

## VC investments in mln EUR



Mega-round of the DocPlanner company is presented separately as it distorts the statistical overview (see: [outlier](#)).

Source: Invest Europe (2010-2018)

# PFR Ventures experts comments



**Aleksander Mokrzycki**  
Vice-president of the Board, PFR Ventures



Frist quarter of 2020 turned out to be very positive for Polish VC market and confirmed the growth trend. Funds have invested more than EUR 40 mln in Polish companies. Comparing Q1 2020 to Q1 2019, we can notice a double increase of invested capital. Unfortunately, due to the COVID-19 epidemic, the second quarter may be not as good comparing to Q2 2019.

Although the final value of the transaction in the entire 2020 may not break the 2019 record, we expect the growth trend to continue.



**Joanna Depta**  
investment analyst, PFR Ventures



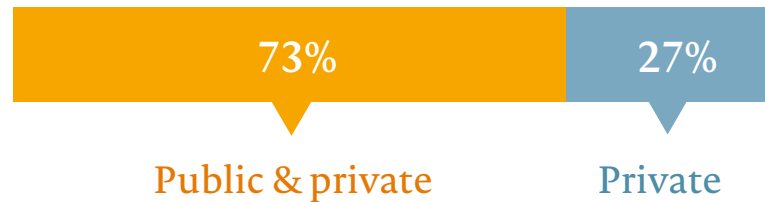
The capital that flowed through Q1 2020 have similar features to the one we saw in 2019. Top rounds are still the domain of foreign investors, but there is an increase in the average ticket of domestic funds that have no problems with transfers with the seventh zero before the comma.

In terms of the number of transactions, and thus the number of companies to which the funds will go, NCBR still have the lead position. NCBR funds supported 50% of the companies in Q1 2020.

# Financial data: sources of capital

## % share of private and public-private financing

### By transaction value



### By transaction number



The transaction was allocated regarding to the dominant share of private or public-private capital



**Public & private funds** enable money access to larger number of companies, while **private capital** provides financing rather for companies seeking later-stage rounds.

# Geographical data: location

## % share of international and Polish funds capital in transactions

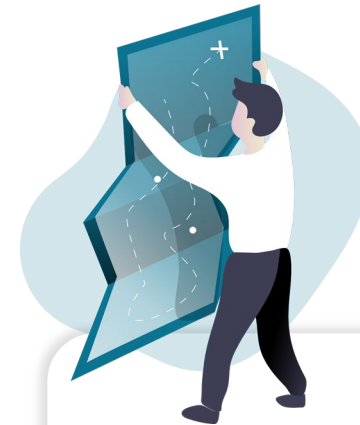
### By transaction value



### By transaction number



Transactions of international funds include all transactions in which at least one international fund has participated

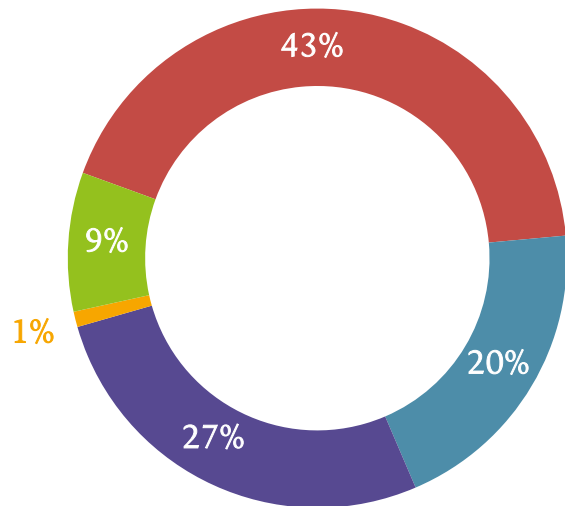


**Polish funds** are responsible for most of transactions, and the **international capital** can be mostly found in the biggest investment rounds.

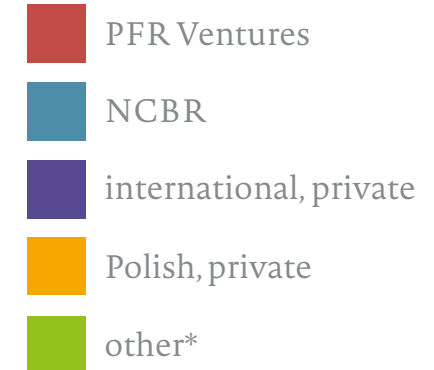
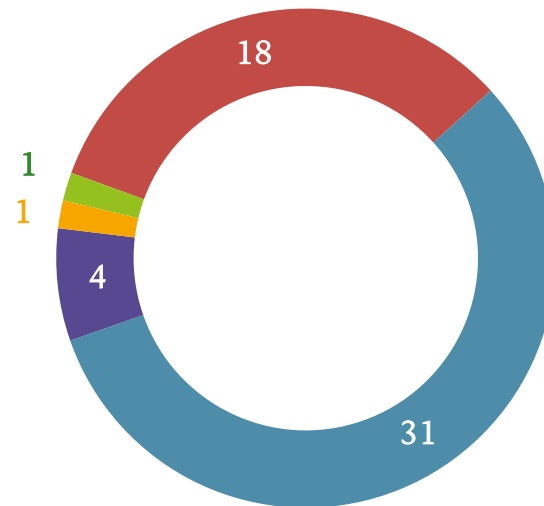
# Capital sources

## Public programs and private capital

By transaction value



By transaction number



\*"Other" category includes Alior, BNP Paribas i PKO BP transaction in Autenti

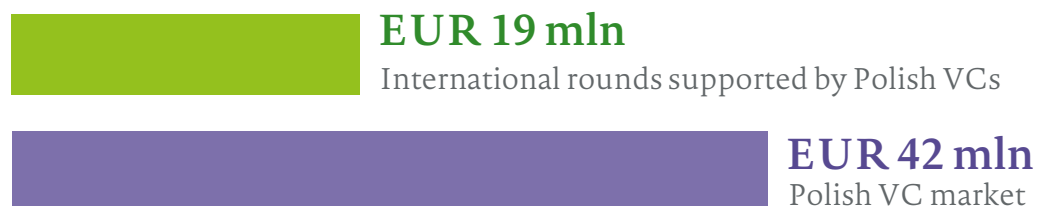


# Activity of Polish funds

## On the domestic market (by transaction value)



## Outside the domestic market





In Q1 2020, Polish funds didn't make a lot of coinvestments with international teams on domestic market.

Polish VCs supported International rounds worth **EUR 19 mln**. This represents 46% of the capital invested on local market.

# Top transactions

## Selected companies that raised >EUR 2 million

Investors	Company	Round size	Rund type
Oxx, Kennet Partners	 Codility	EUR 18 mln*	A
Manta Ray, Khosla Ventures, Hoxton Ventures, DN Capital, Capnamic	Nomagic	EUR 7 mln	A
Alior Bank, BNP Paribas, PKO BP	Autenti	EUR 4 mln	A
btov Partners, TDJ Pitango, Rheingau Partners, Mateusz Malinowski, Marek Cygan	Neptune	EUR 2,4 mln	A
EEC Ventures	 Sinterit	EUR 2,2 mln	B

\*part of this deal was included in 2019 report

 Also supported by PFR Ventures funds

# 3 banks joined the game

## Case study: Autenti

### Basic info:







HQ:  
Kraków

Established:  
2013

Staff:  
25-35

Dealroom's valuation:  
USD 18 – 27 mln

### Investment rounds:

Accelerator	Seed	A
n/a	USD 1,8 mln	USD 4,5 mln
	  ▼ seed capital was partially guaranteed by NCBR BRIDGE Alfa program	  



In addition to VC capital, Autenti received a total of USD 1.5 million from the NCBR under the Fast Track program.

Source: dealroom.com

In January 2020 reasonable in volume, yet game changing for Polish CVC market transaction has been announced. Three commercial banks – Alior, BNP Paribas and PKO BP have provided over 17 mln PLN in series A financing to Autenti (remote signing of documents and agreements).

It is a very first time when competing entities joined their forces in order to not only extend the scope of services provided to their clients, but also to enter the fast growing, promising market segment, which is believed to reach 5.5 bn USD in value till 2023.

Solution frequently occurring on markets with developed corporate venturing culture such as USA, UK or Israel was a pivot point for Polish innovation financing ecosystem. It shows how much domestic market players has matured, going beyond simple acquisition strategy, noticing benefits coming from independent, verified by market technology development path. Time will tell whether other companies would follow local pioneers in catching up with global trends.

 **Michał Kautsch**  
investment analyst, PFR Ventures

# 3 banks joined the game

 What has driven 3 banks to invest in Autenti together?

 **Marcin Jaszczuk**

Vice-president of the Board  
Alior Bank

Alior Bank has experience in creating synergies between technology and finance. Thanks to investments in fintechs, we can easily see what the future holds. Digitization of customer relationships and remote services are already main trends in banking and the events of the first quarter of 2020 only strengthened them. E-signature is a tool that enables fully digital circulation of documents, and the investment in Autenti, the owner of this technology, is a step towards digitizing the Polish banking sector.

 **Michał Miszułowicz**

Fintech Cooperation Manager  
BNP Paribas

In 2016, Autenti won the first Polish edition of BNP Paribas International Hackathon. The Bank's business cooperation with Autenti began in 2018. At that time, we launched the first, fully digitalized credit process based on Autenti solution. The joint investment of three banks in Autenti allowed to create a product that works perfectly and meets the requirements of financial institutions. The investment shows that we believe in digitization, and Autenti is a partner with whom we want to change the most basic element of economic life – agreement signing.

 **Grzegorz Pawlicki**

Innovation Director  
PKO BP

Innovative technologies have high priority in the development strategy of PKO Bank Polski and thanks to the consistent pursuit of digital transformation, we will soon become the *Bank of the Future*. We hope that a joint investment in Autenti will popularize the remote contract signing among financial market clients, making it simpler, faster and safer.

# PLN 33 mln in seed round

(EUR 7 mln)

## Case study: Nomagic

### Investors origin



Source: dealroom.com

Recently announced seed round of PLN 33 mln doubled in value the largest polish VC transaction of 2019, setting the new record for our market. Nomagic is, just like Booksy or Docplanner, attracting a great deal of international funds' attention which is a good sign forecasting dynamic growth in the long run.

Nomagic is an AI robot software company aiming at streamlining of logistic centre processes, targeting mainly warehouses and factories. It comes with a Robot as a Service solution. Given Poland is a hub of logistic facilities for many corporates, the company is very likely to build a solid customer base on our market.

Nomagic team eyes another 5000 robots in the next 5 years. Last year they implemented their first solution with a French e-commerce leader. E-commerce and food retail are the key drivers for the global automatized logistics. It is estimated that the market will grow up to USD 30 bn by 2025.

 **Joanna Depta**  
investment analyst, PFR Ventures

# Summary

## Appendix

### International team/fund

We use "international fund" term to describe one that is managed by international partners or is based on foreign capital.

### Activity on the Polish VC market

As "activity on the Polish VC market" we interpret local investments (Polish fund-Polish company) and foreign investments (foreign fund-Polish company).

Investments of Polish funds in foreign companies are presented separately on page 9.

## Sources

The data used for this study comes from the internal reports of PFR Ventures, Inovo Venture Partners and the National Center for Research and Development. Part of the information was obtained from InvestEurope researches as well as media reports and public data.

## Illustrations and photos

unsplash.com  
manypixels.co

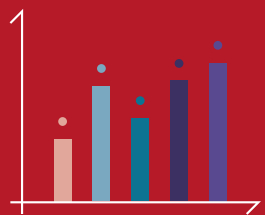
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