

## Ark Kapital raises €165m to help startups grow smarter through AI-powered financial forecasts and non-dilutive funding.

Press release – Stockholm, Sweden, Tuesday 29th March 2022

- Offering AI-based tailor-made loans lasting up to seven years, Ark Kapital enables fast-growth without losing equity
- New funding led by Local Globe, with participation from Creandum and angel investors including founders of iZettle, Supercell, King, and EQT Ventures
- Unique founding team combination of serial entrepreneurship, banking and fintech expertise, data analytics, and machine-learning

Today, Ark Kapital – the data-driven precision finance company enabling startups to grow faster and smarter through long-term loans, maintaining control for founders and reducing risk for investors – announces it has raised €165m in seed funding. A combination of debt and equity, the round was led by Local Globe, with participation from Creandum and angel investors including Supercell CEO Ilkka Paananen, iZettle founder Jacob de Geer, and EQT Ventures founding partner Hjalmar Winbladh. Beyond investing in promising companies, the new capital will be used for R&D and doubling the 20-person team within 2022.

Ark Kapital was founded in summer 2021 – launching in November the same year – by six-time entrepreneur Oliver Hildebrandt (CEO), veteran banker Axel Bruzelius (COO), and Spotify's ex-VP of Analytics and former EQT Ventures partner Henrik Landgren (CPTO). The firm targets early stage, tech-driven companies predicted to grow super-fast but not yet profitable. Ark uses its artificial intelligence (AI) platform – the Ark Intelligence Machine (AIM) – to analyse a company's business health and to offer a suite of AI-powered financial and intelligence products. The firm shares daily access of its analytics and insights in a borrower dashboard, so companies can optimise their business performance.

At seed stage, it's common for founders to part with 20-25% of their company when taking equity-based funding. Offering an alternative to this, Ark will initially focus on non-dilutive loans to multi-sector European startups ranging from €1m-10m. Typically, loans are short-term and must be repaid within two years, which doesn't give early stage startups enough time to grow. Ark solves this problem by offering long-term loans lasting up to seven years; unique to every company, the loans are based on predictions of a company's future revenue. Ark's unique combination of serial entrepreneurship, banking and fintech expertise, and world-class developer skills creates an ideal team to help future-facing companies realise their potential.

Commenting on this news, CEO and co-founder Oliver Hildebrandt, said: "Any founder will tell you how difficult fundraising can be: retelling your story and hoping to convince the other side really adds up and results in precious time spent away from a business. We believe that entrepreneurs should retain more ownership of their companies and more transparency is needed throughout the fundraising process. After all, no matter how small, any investor equates to a long-term relationship. This is where the power of an AI-driven approach becomes clear: companies can benefit from tailored financing options based on their potential, backed up by data. As an entrepreneur-first company, we want to offer the best network for founders. That's why we're delighted to partner with our new investors, whose collective expertise complements us perfectly."

Henrik Landgren, CPTO and co-founder, added: “We have seen the rapid evolution of tech, data and machine learning over the years, and how the fastest growing tech startups are stellar in taking advantage of their own data to optimise their growth. This trend also grows across all industries, where now over a quarter (27%) of respondents in McKinsey’s AI adoption survey now attribute over 5% of their earnings to AI. ArK Kapital was born from the belief that connecting to companies raw data and applying state-of-the-art AI modelling enables both best possible financial products and instant access to AI-powered growth analytics tools for founders. We believe we can enable many more founders to grow way faster with data driven growth tools and smarter finance products.

Axel Bruzelius, COO and co-founder, concluded: “Most ambitious startup journeys need to start with equity. However, it doesn’t make sense for companies with predictable revenues to be solely reliant on equity as a funding source. It’s very expensive and doesn’t scale well. We believe that, by unleashing loans as a major funding source for European tech companies, we can be a major benefactor of their growth.”

## About ArK Kapital

Fusing banking and artificial intelligence (AI), ArK Kapital is a data-driven precision finance company that enables technology companies to grow faster and smarter through long-term loans. To optimise this, ArK developed a proprietary AI platform: the ArK Intelligence Machine (AIM). The AIM connects to the raw business data of a company; combined with relevant external market data, this unlocks hidden possibilities for growth and strategic foresight. Potential insights include when a customer will become profitable, when they will require new capital injection, and how quickly they can reasonably repay a loan. Based on that intelligence, ArK customises loans and other financial tools that fuel growth for founders with fewer mistakes and less equity dilution. ArK also helps expand access to top-level data science for countless companies by sharing always-on analytics and insights with its borrowers through the AIM dashboard.