Danish Growth-Stage Venture Capital

- Scaling Danish Companies

August 2026

Scope and contents

Denmark punches well above its weight in European innovation. It has one of the highest densities of rising unicorns per capita in Europe[1] and a deep base of venture-backed companies across life sciences, fintech, cleantech, and software, anchored by world-class research institutions and it excels at creating companies.

The harder challenge, in Denmark as across Europe, is scaling them. Seed and early-stage funding has deepened, but the growth stage, where companies scale internationally, employ at scale, and generate the exits that renew the ecosystem, remains the most capital-intensive and the least well supplied. It is here that Danish companies increasingly turn to foreign capital.

This report examines the Danish growth stage in three parts. The first part traces the path to growth stage: how the VC-backed base has developed by stage, how many companies reach the later stages, and how capital, round sizes, outcomes, and progression times vary across stages. The second part examines who funds Danish companies and how they exit, by investor origin, stage, and acquirer location. The third part projects growth-stage capital demand from 2026 to 2035 against expected supply, to size the funding gap facing Danish growth companies.

The analysis is primarily based on EIFO's venture-transaction data from 2018 to 2025, which is publicly available on EIFO's website, supplemented by Pitchbook, Dealroom, and CVR. Methodological details are provided in the appendix.

Sources: 1) Danish Chamber of Commerce, Denmark: A Unicorn Factory, 2024.

Executive summary

01
THE GROWTH STAGE

40%

of VC-backed employment comes from the 8% growth stage companies

Few Danish companies reach the growth stage, but those that do carry outsized economic weight

Growth-stage firms account for 8 percent of VC-backed companies yet employ 40 percent of its workforce — jobs they build as they scale.

02
THE PATH

€44m

average growth-stage round, 20x larger than seed

Reaching growth is slow and capital intensive

Companies take one to three years to advance between stages, and on average, growth rounds are over twenty times larger than seed rounds.

03
THE FUNDING

72%

of growth capital is foreign

Growth capital is scarce, foreign, and led by the US

Danish investors join most growth rounds but supply less than a third of the capital.

04
THE EXITS

100%

of growth-stage exits go to foreign owners

Growth companies increasingly exit to foreign owners

No growth-stage company in the cohort was bought by Danish owners or listed in Denmark.

05
THE GAP

€3–9bn

unmet growth capital demand to 2035

An estimated growth funding gap of 3 to 9 billion euro from 2026 to 2035

Projected demand of 6 to 12 billion euro meets 3.2 billion euro of dedicated growth capital.

Company stage definition

Company stages reflect maturity – defined for this report by capital raised and prior funding rounds.

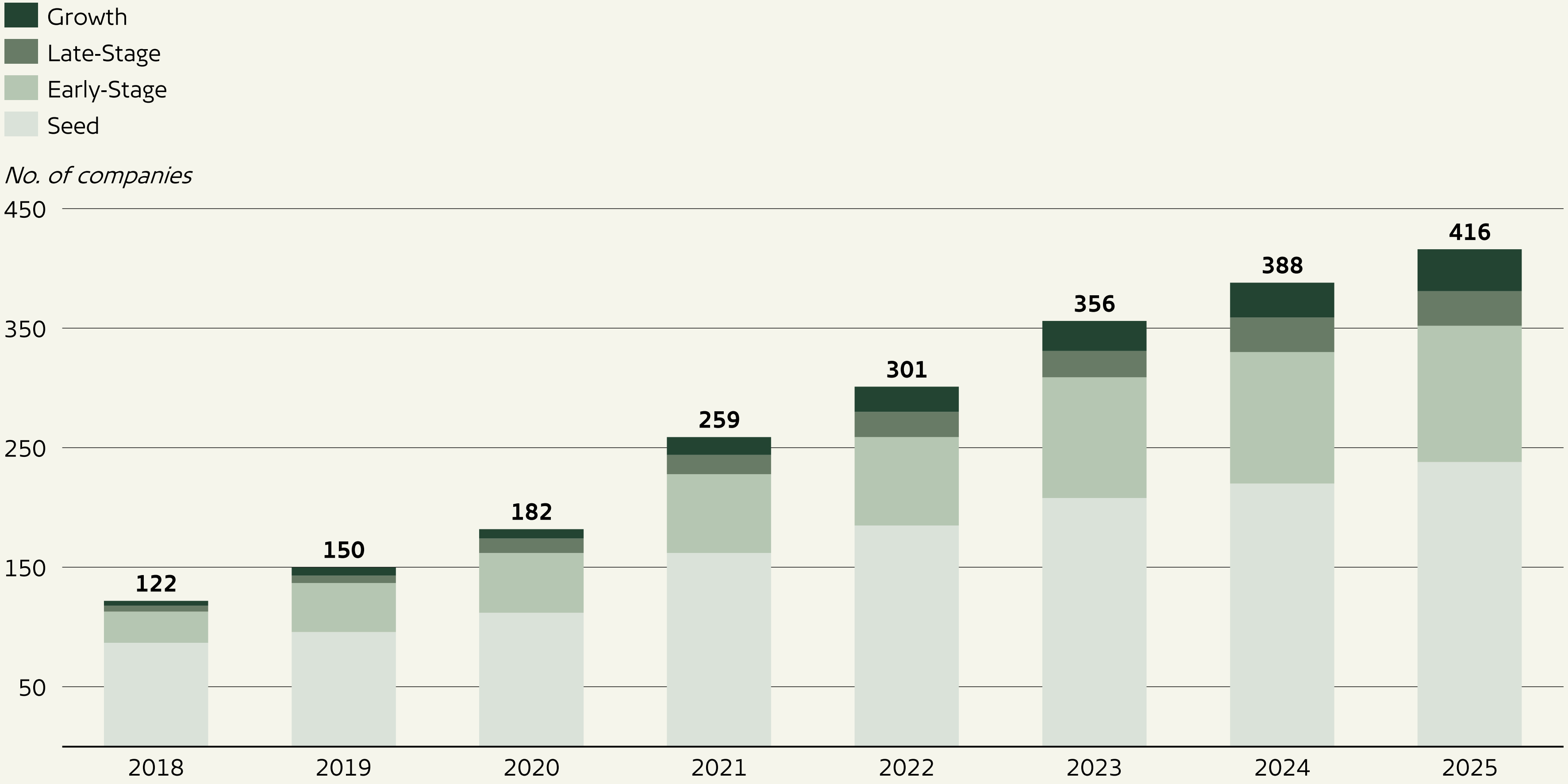
	Description	Criterias		
Seed	Companies developing an initial product and searching for product-market fit. Typically, one funding round, small teams, and little or no revenue.	Total Raised < €5M		
Early-Stage	Companies with initial market traction, scaling their team and go-to-market while refining the business model. Revenue is growing but not yet proven at scale.	Total Raised >= €5M	AND	Total raised < €20M OR No prior VC Rounds
Late-Stage	Companies with a proven business model and consistent revenue that have raised substantial capital across multiple rounds and are scaling operations and expanding into new markets.	Total raised >= €20M	AND	At least 1 prior VC round
Growth	Commercially mature companies with significant revenue, deploying large rounds to fund international expansion, acquisitions, or a path to exit.	Round >= €20M OR Total raised >= €40M	AND	At least 3 prior VC rounds OR >= 50 employees

Source: EIFO

The Path to Growth Stage

Denmark's active VC-backed base has more than tripled since 2018, but the growth-stage layer remains thin at 35 of 416 companies

Number of active Danish VC-backed companies, by stage and year



Note: Active stock counts VC-backed companies that have not exited or defaulted. Transaction data before 2018 is sparse, so early-period totals are somewhat understated and the growth over the period represents a conservative upper bound on the true rate of expansion.
Source: EIFO

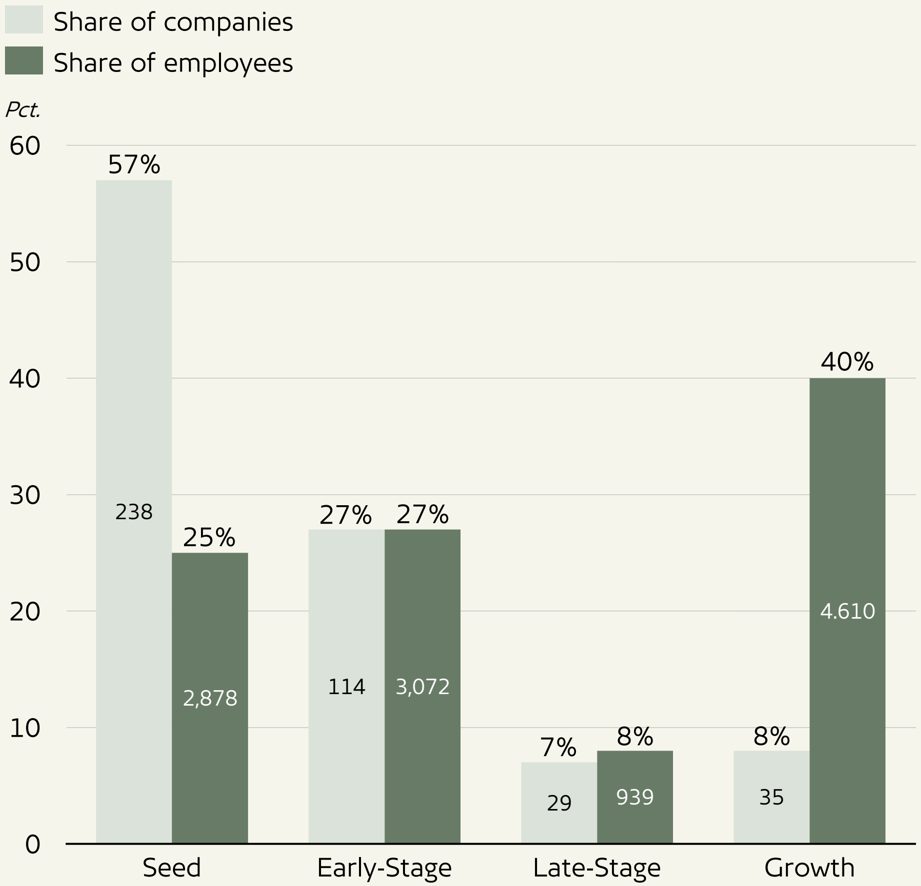
EIFO

Highlights

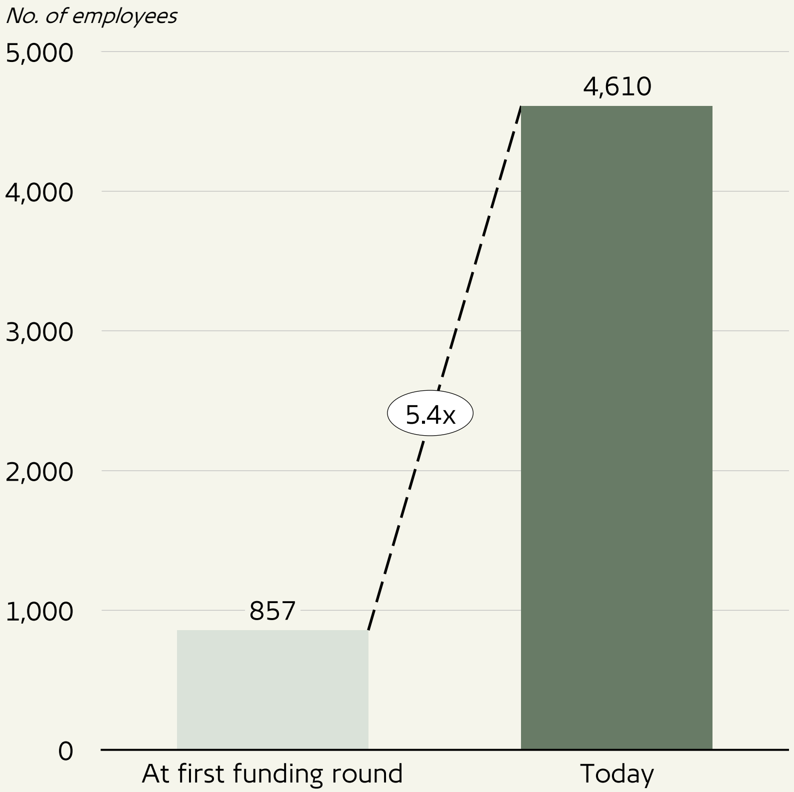
- The active stock of Danish VC-backed companies grew from 122 in 2018 to 416 in 2025, an increase driven primarily by entry at the Seed and Early-Stage levels, which together represent 85 percent of the base in 2025.
- Late-Stage and Growth companies remain a minority of the market but have grown as a share of the active base, rising from 7 percent in 2018 to 15 percent in 2025 as the market matures.
- Annual growth in the active stock has moderated since its 2021 peak, easing from 42 percent that year to 7 percent in 2025.

Growth-stage companies are few but employ a disproportionate share of the workforce, which they build as they scale

Share of companies vs share of employment by stage, 2025



Employment of growth-stage companies, first round vs today



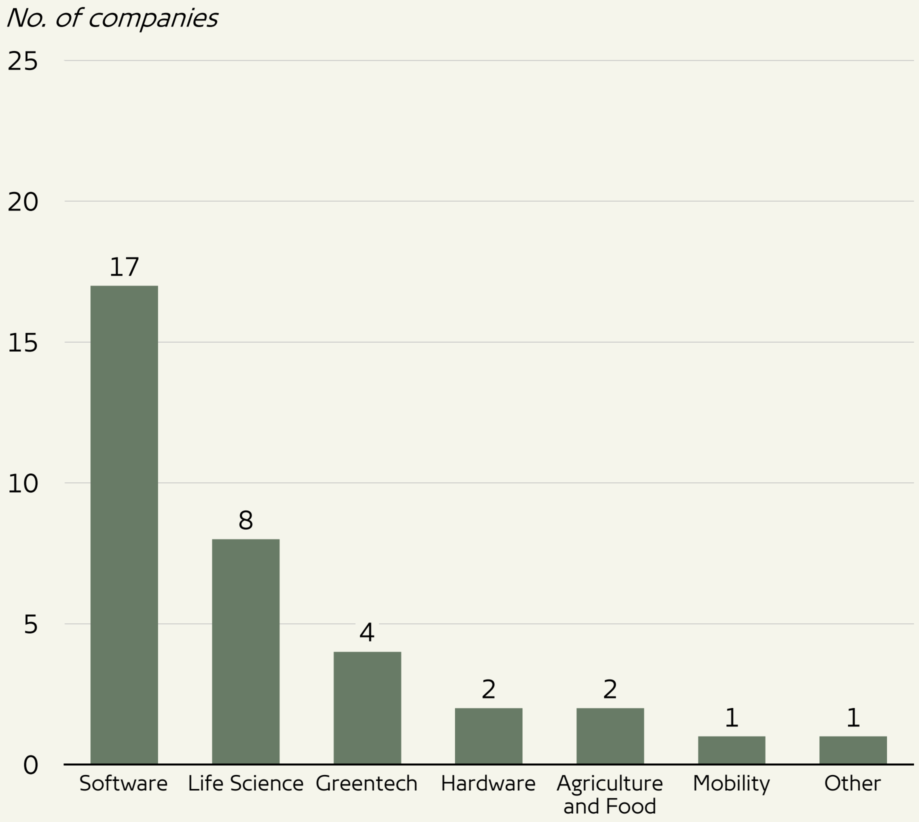
Note: Active base at year-end 2025 (companies not exited or defaulted), matching the active-company universe. Employment is each company's latest observed employee count; the job-creation panel compares each company's first and latest observed funding round. Stage is defined primarily by capital raised and prior rounds (see slide 2).
Source: EIFO, CVR via LassoX.

Highlights

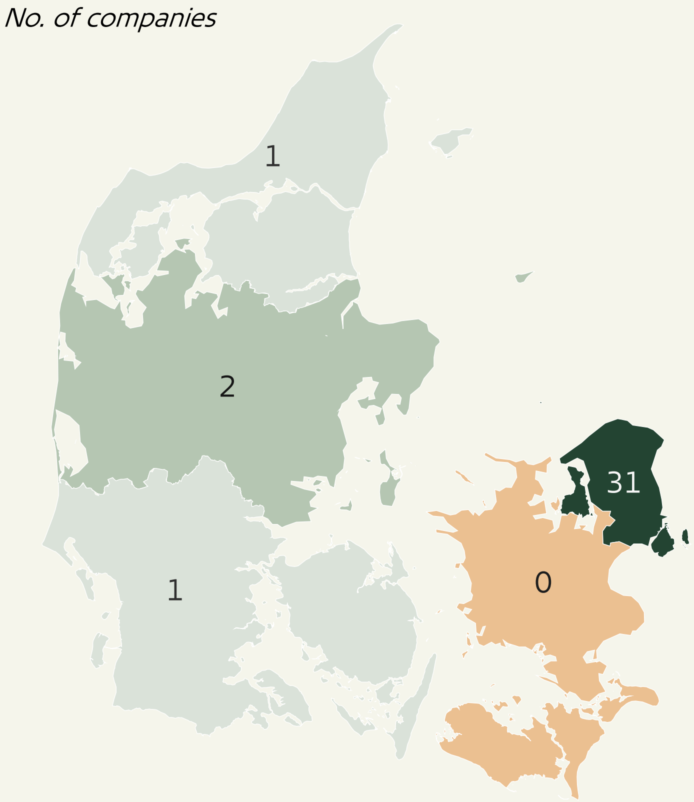
- Growth-stage companies make up just 8 percent of Danish VC-backed companies but account for 40 percent of the employment across them, a far larger share than any other stage.
- The 35 growth-stage companies employed roughly 850 people at their first funding round and around 4,600 today, adding some 3,750 jobs as they scaled, a more than fivefold increase.
- Their employment is built through growth rather than present from the outset, so the economic contribution of these companies materialises as they reach and progress through the growth stage.

Danish growth-stage companies are highly concentrated, both geographically in the Capital Region and sectorally in Software and Life Science

No. of Growth Stage Companies, by Industry



No. of Growth Stage Companies, by region



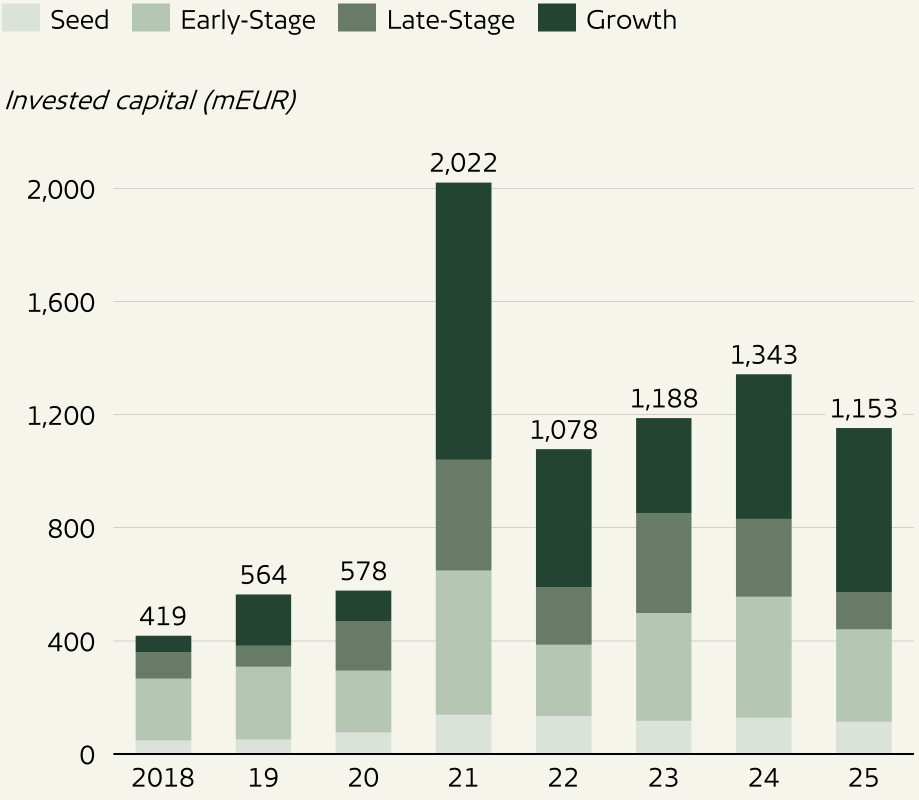
Highlights

- Of the 35 active growth-stage companies in 2025, 31 are located in the Capital Region, giving Copenhagen 89 percent of Denmark's growth-stage activity.
- Software and Life Science account for 25 of the 35 growth-stage companies, or 71 percent of the total. This mirrors Denmark's established industrial strengths, particularly its long-standing global position in life sciences and pharmaceuticals and its more recent depth in a fast-maturing software sector.

Note: Year-end 2025 stock of active growth-stage companies (n=35). Regions follow Danish administrative regions.
Source: EIFO, CVR via LassoX

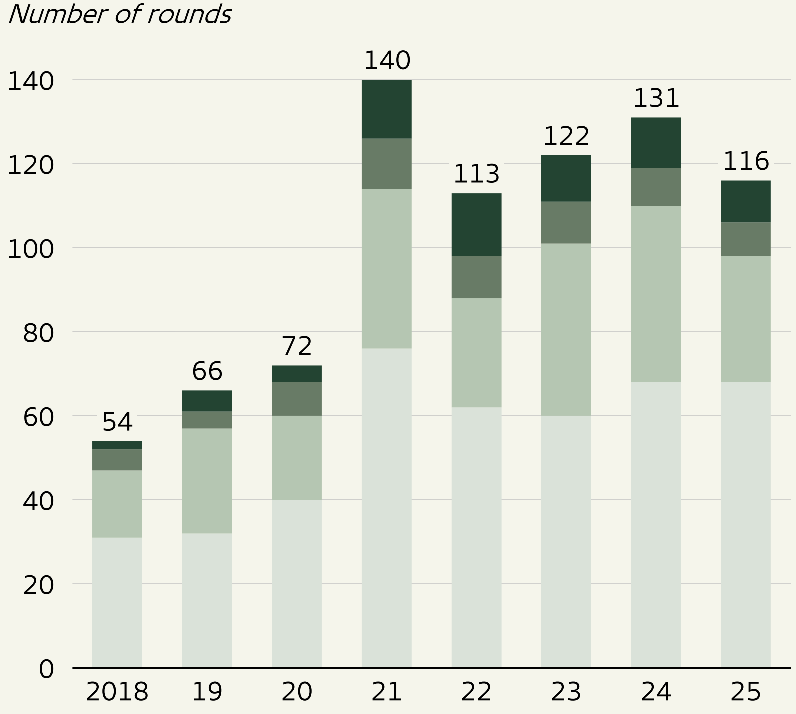
Growth-stage companies absorb half of all invested capital from under a tenth of rounds

Development in invested capital, by stage and year



Growth share, %	2018	19	20	21	22	23	24	25
Invested capital	13.7	32.0	18.7	48.5	45.2	28.3	38.1	50.4
No. of rounds	3.4	7.4	5.3	9.9	12.8	8.9	8.8	7.6

Development in No. of rounds, by stage and year



Note: Growth share row shows the Growth stage's percentage of each year's total. Rounds with undisclosed amounts are excluded from invested capital but retained in deal count.
Source: EIFO

Highlights

- Total invested capital rose from 419 million euro in 2018 to 1,153 million euro in 2025 but was highly volatile, peaking at 2,022 million euro in 2021. Number of rounds grew more steadily, from 54 to 116.
- The share of capital directed to Growth-stage companies has risen steeply, almost quadrupling from 13.7 percent in 2018 and establishing Growth as the single largest destination for venture capital, receiving a total of 582 million euro in 2025.
- Growth-stage financing is delivered through few but very large rounds. In 2025, these companies drew 50.4 percent of all invested capital from just 8.6 percent of rounds, concentrating half the market's capital in under a tenth of its transactions.

Advancing to a later stage sharply improves company outcomes, most notably by reducing the risk of default

Company outcome rates by stage, 2018-2025

Company stage	# of companies	Still active	Graduation rate	Exit rate	Default rate
Seed	#323	37%	34%	12%	18%
Early-stage	#154	41%	36%	13%	10%
Late-stage	#39	41%	46%	13%	0%
Growth	#27	81%	N/A	15%	4%

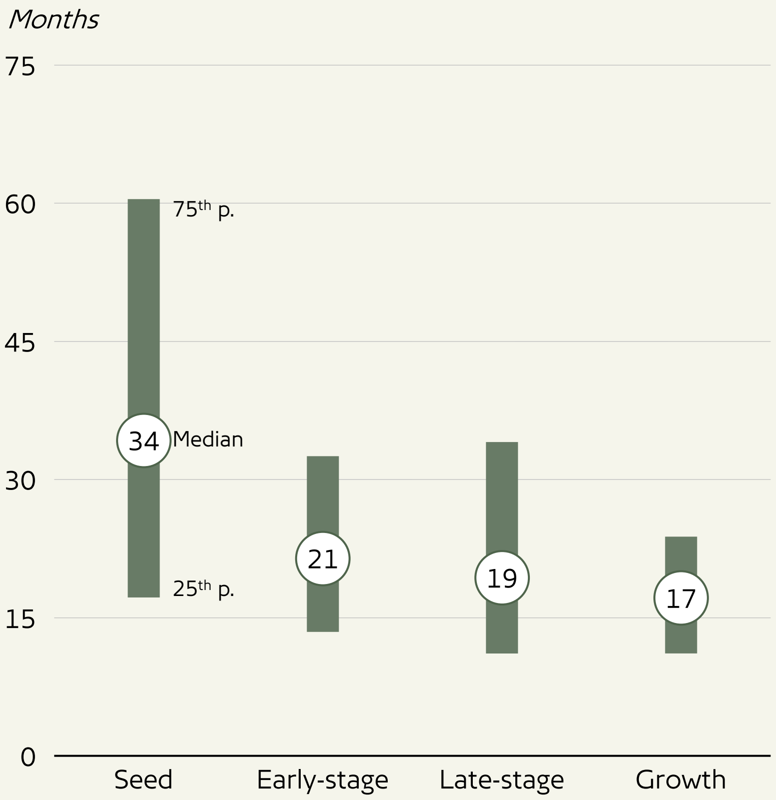
Note: Outcomes measured over mature cohorts (companies with a minimum of 2 years for outcomes to be observed): Seed n=323, Early-Stage n=154, Late-Stage n=39, Growth n=27. Rates are shares of these entrants. Growth-stage graduation not defined (no higher stage).
Source: EIFO, CVR via LassoX

Highlights

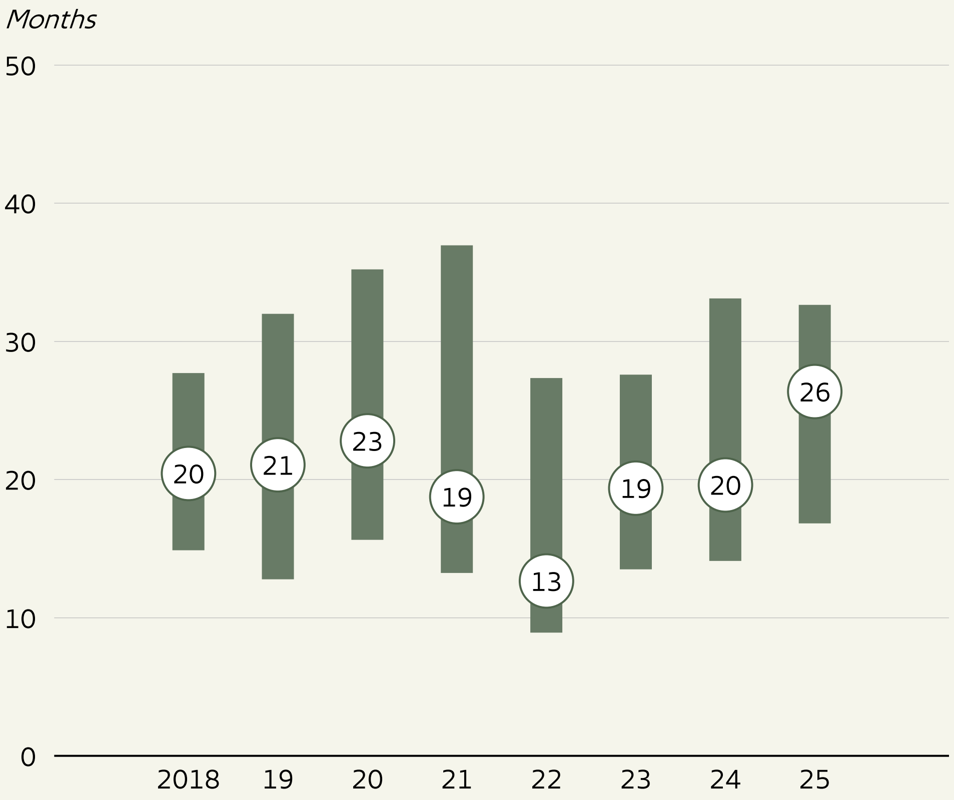
- Default rates fall steeply as companies mature, from 18 percent at Seed to 10 percent at Early-Stage and effectively zero at Late-Stage, so advancing between stages substantially de-risks a company.
- Exit rates, by contrast, stay broadly flat across stages at 12 to 15 percent, suggesting that exit remains a roughly constant possibility at every stage rather than one that rises with maturity. That said, for growth-stage companies the observed rate likely understates the true figure, as many reached the stage only recently.
- Graduation rates rise with maturity, from 34 percent at Seed to 46 percent at Late-Stage, and growth-stage companies are the most stable, with 81 percent still active.

Companies take one to three years to advance between stages, and this pace has not improved over time

Median time to advance, by stage, 2018-2025



Median time to advance, by year



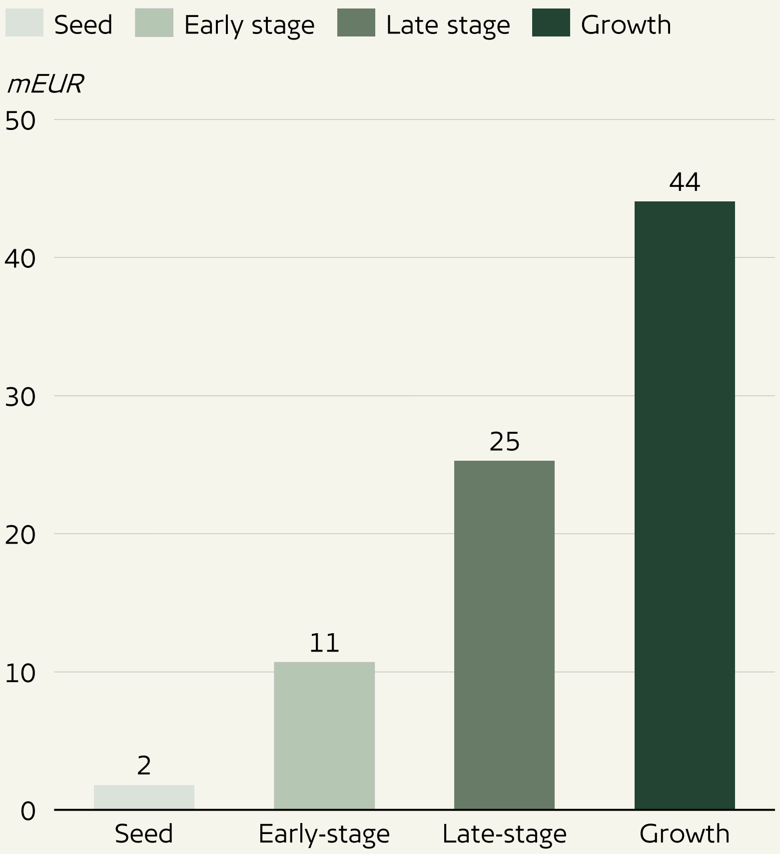
Highlights

- The median company takes 34 months to raise its first round, then roughly 17 to 21 months to advance between each subsequent stage.
- Graduation times vary widely across companies, with the interquartile range spanning roughly 13 to 33 months even between adjacent stages, indicating substantial uncertainty in how quickly any given company advances.
- The median time between stages has not fallen over the period, fluctuating between 13 and 26 months since 2018 and reaching its highest level of 26 months in 2025, offering no evidence that the market is accelerating.

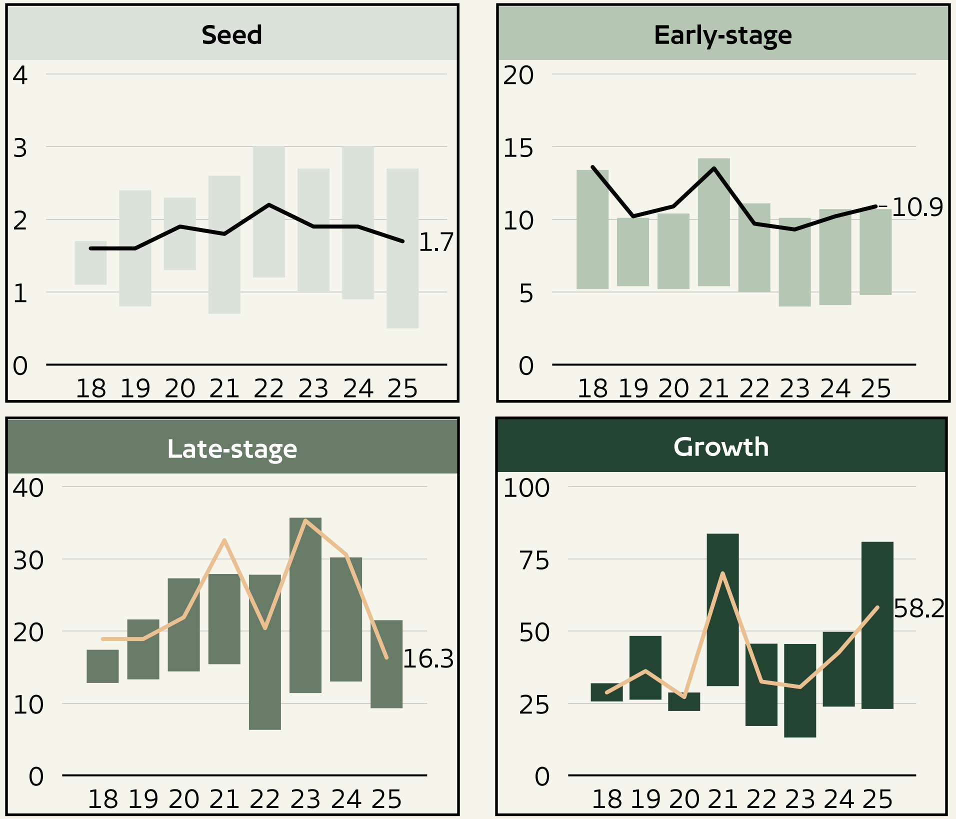
Note: Left panel shows median months to reach the first round (Seed) and to advance to each subsequent stage. Right panel shows the median months per stage transition, pooled across all stages, by year. Circles mark medians; bars span the interquartile range (25th to 75th percentile).
Source: EIFO

Financing a growth company requires rounds averaging over 40 million euro, far larger than any earlier stage

Average round size by stage, 2018-2025



Average round size, by stage and year



Note: Note the differing vertical scales across the four right-hand panels.
Source: EIFO

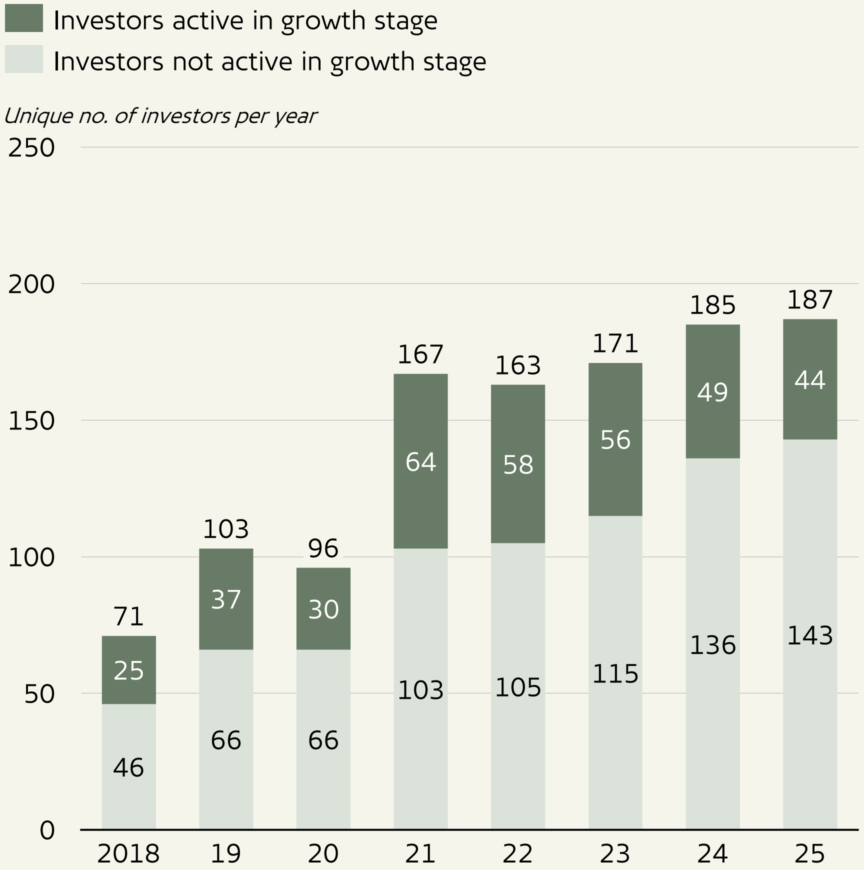
Highlights

- Average round size rises sharply through the funnel, from 2 million euro at Seed to 11 million euro at Early-Stage, 25 million euro at Late-Stage, and 44 million euro at Growth, meaning a typical Growth round is more than twenty times the size of a Seed round.
- Growth-stage round sizes are both the largest and the most volatile, ranging from 27 to 70 million euro across individual years and reaching 58 million euro in 2025, reflecting the small number of large deals that define the stage.
- Seed and Early-Stage round sizes have remained broadly stable over the period, holding near 2 and 11 million euro respectively, indicating that the escalation in capital requirements occurs almost entirely at the later stages.

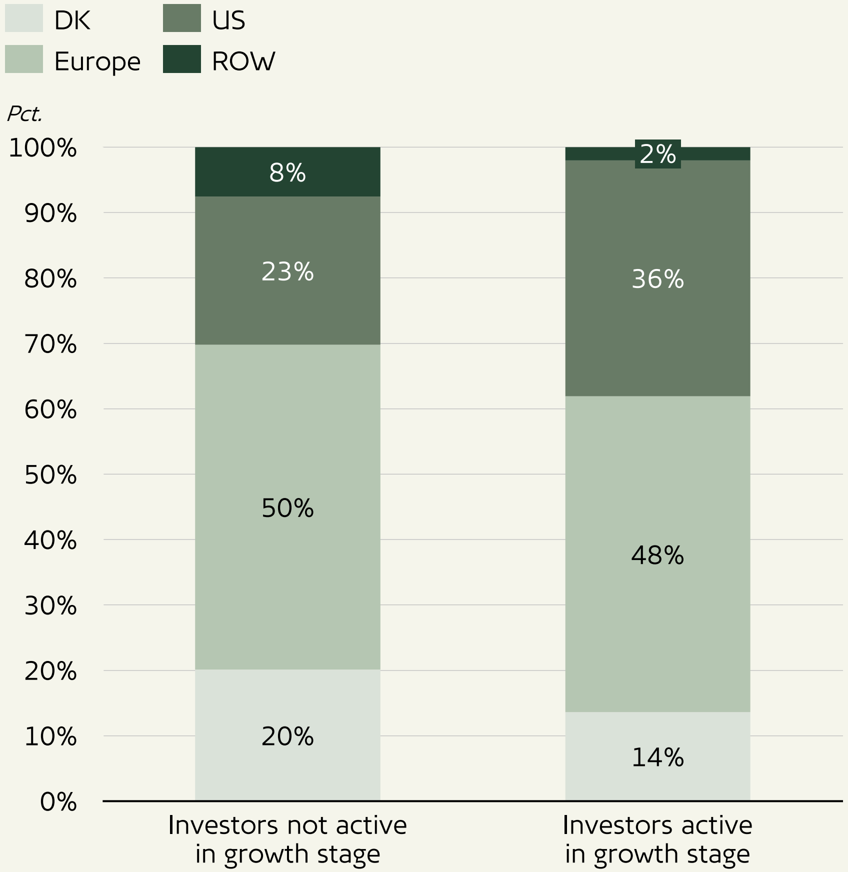
Who funds growth, and how do they exit?

Growth-stage investors remain scarce and disproportionately foreign, even as the investor base expands

Number of active investors, by year



Share of active investors, by origin, 2018-2025



Note: Left panel: unique count of active investors per year, split by whether the investor participated in at least one Growth-stage round. Right panel: share of active investors by origin over 2018–2025, split on the same basis. An investor is counted once per year and assigned a single origin by its most frequent country code.
Source: EIFO, Pitchbook, Dealroom.

Highlights

- The number of active investors more than doubled from 71 in 2018 to 187 in 2025, yet the share active at the Growth stage fell from 35 to 24 percent, indicating that growth-stage capacity has not kept pace with the market.
- Growth-stage investors are disproportionately foreign. US investors make up 36 percent of growth-active investors versus 23 percent of the rest, while Danish investors account for just 14 percent of growth-active investors versus 20 percent.
- European investors are the largest group in both categories at roughly half, with little difference between them, so the foreign tilt at the Growth stage reflects a heavier US presence specifically rather than Europe.

EIFO

The Danish growth-VC ecosystem spans a broad and international investor base

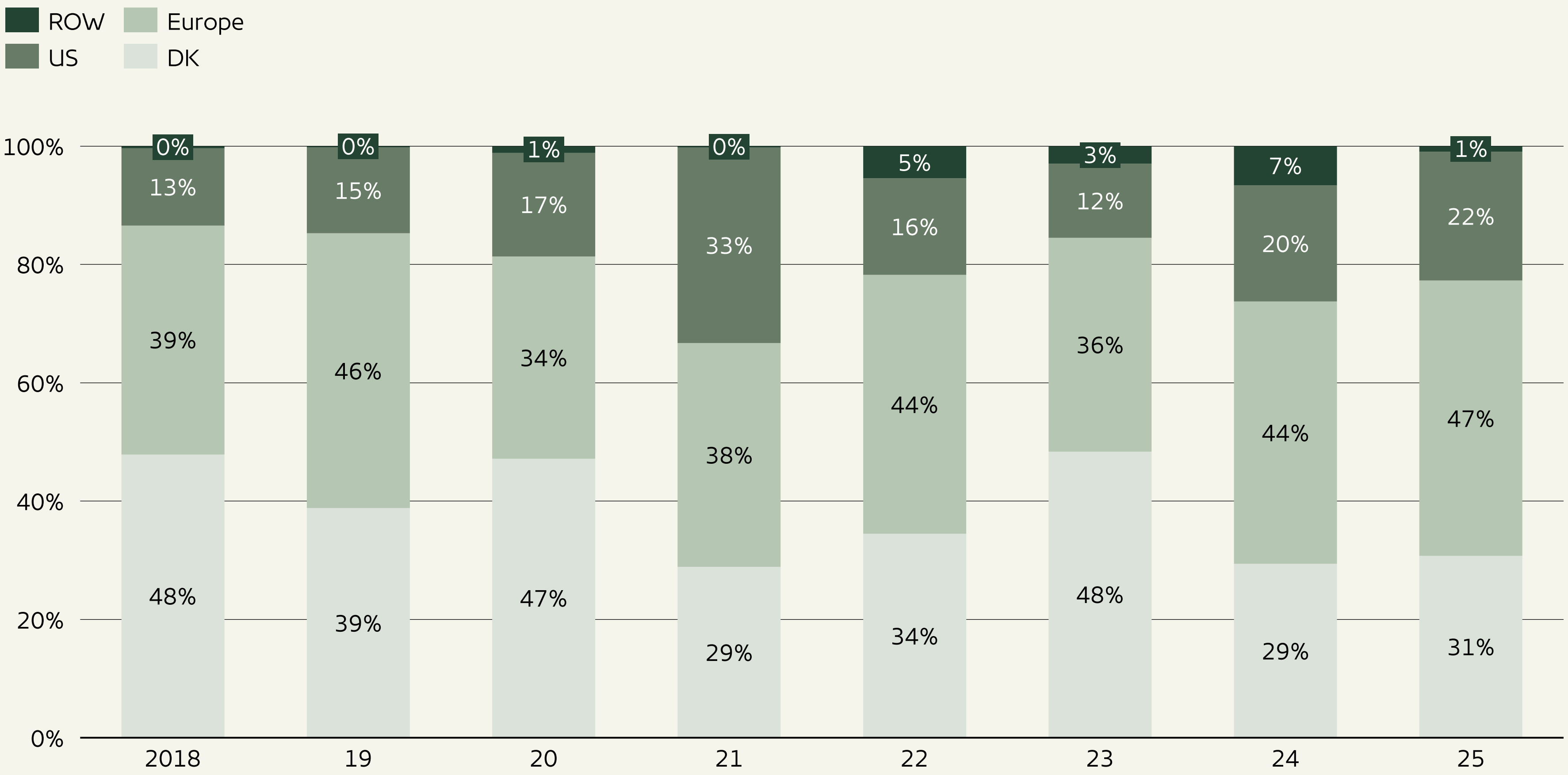
Examples of active investors on the Danish Growth VC market by stage focus and origin, 2018-2025

	DENMARK	EUROPE	UNITED STATES	REST OF WORLD
Growth investors	Chr. Augustinus Fabrikker Aktieselskab	One Peak Partners	Andreessen Horowitz	Pontifax
	Heartland	Jolt Capital	Bain Capital Ventures	
	A.Gain	HV Capital	General Atlantic	
	A.P. Møller	Highland Europe	Insight Partners	
		Wellington Partners Venture Capital	Great Hill Partners	
Stage-agnostic investors	novo holdings	eurazeo	NEA	Saban
	EIFO	Creandum	venrock	Cross Border Impact Ventures
	Seed capital	Index Ventures	salesforce ventures	
	Heartcore	atomico	canaan partners	
	North Ventures	Dawn	DFJ	

Note: The listed investors and organizations are used as examples for illustrative purposes and do not necessarily reflect the full list of market participants across the given investor types and nationalities. The distinction between nationalities is based on the investors HQ, while the distinction between stage focus is based on historical investment patterns and EIFO's assessment.
Source: EIFO, Pitchbook, Dealroom.

Since 2018, foreign capital has claimed a growing share of Danish venture funding, led by the US, whose share has roughly doubled

Share of capital by investor origin and year, 2018-2025



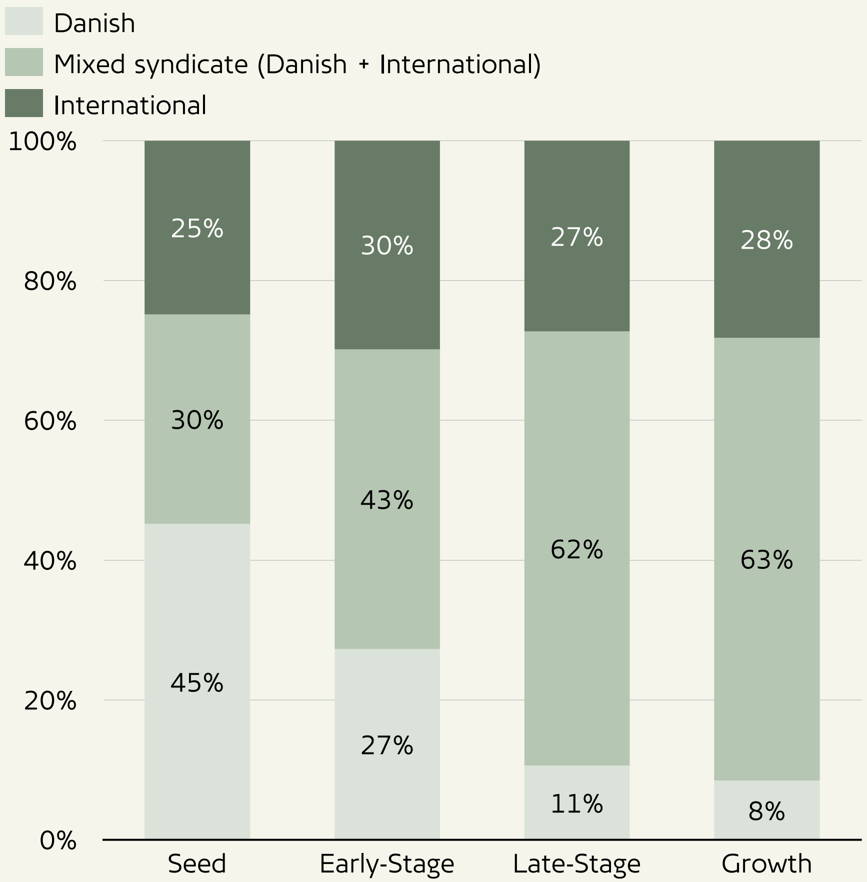
Note: Capital is attributed by equal investor share within each round, as investor-level deployment is not observed, which may understate the foreign share of capital.
Source: EIFO, Pitchbook, Dealroom.

Highlights

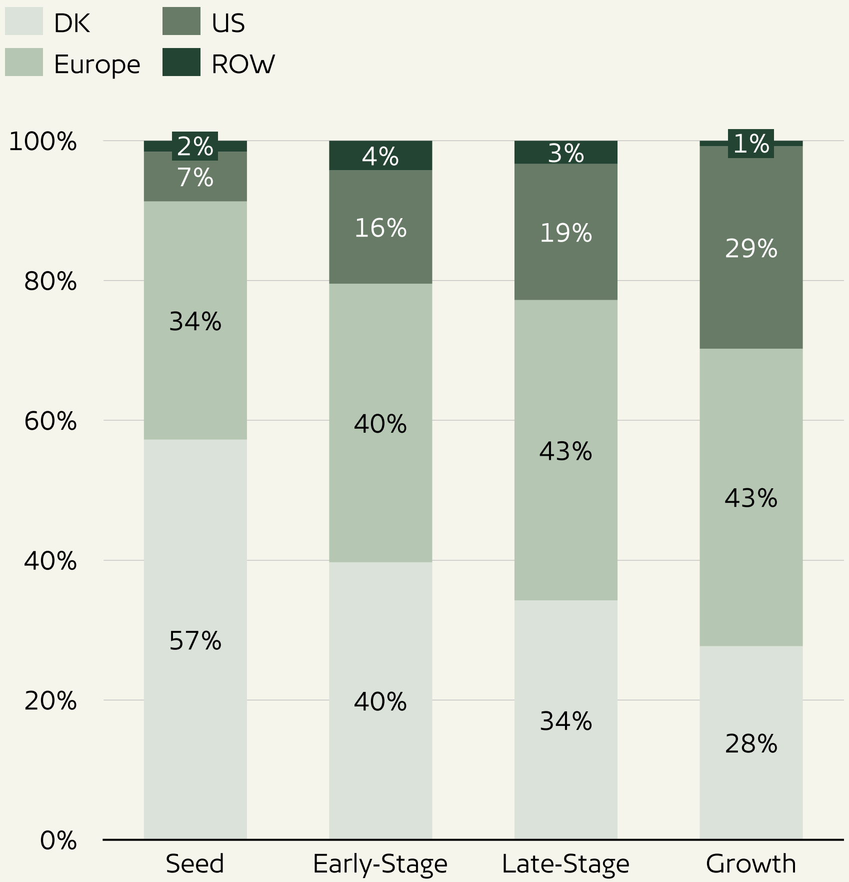
- The Danish share of invested capital has remained below half in every year since 2018 and shows no upward trend, standing at 31 percent in 2025 against 48 percent in 2018.
- The US share has roughly doubled over the period, rising from 13 percent in 2018 to 22 percent in 2025 and peaking at 33 percent in the 2021 funding boom, making US investors the fastest-growing source of capital.
- European investors have provided the largest share in most years, at 34 to 47 percent, so together with the US they account for the persistent majority of Danish venture funding.

Danish investors participate in most growth-stage rounds but account for less than a third of the capital, with the balance coming from abroad

Share of rounds by investor composition and stage, 2018-2025



Share of invested capital by investor origin and stage, 2018-2025



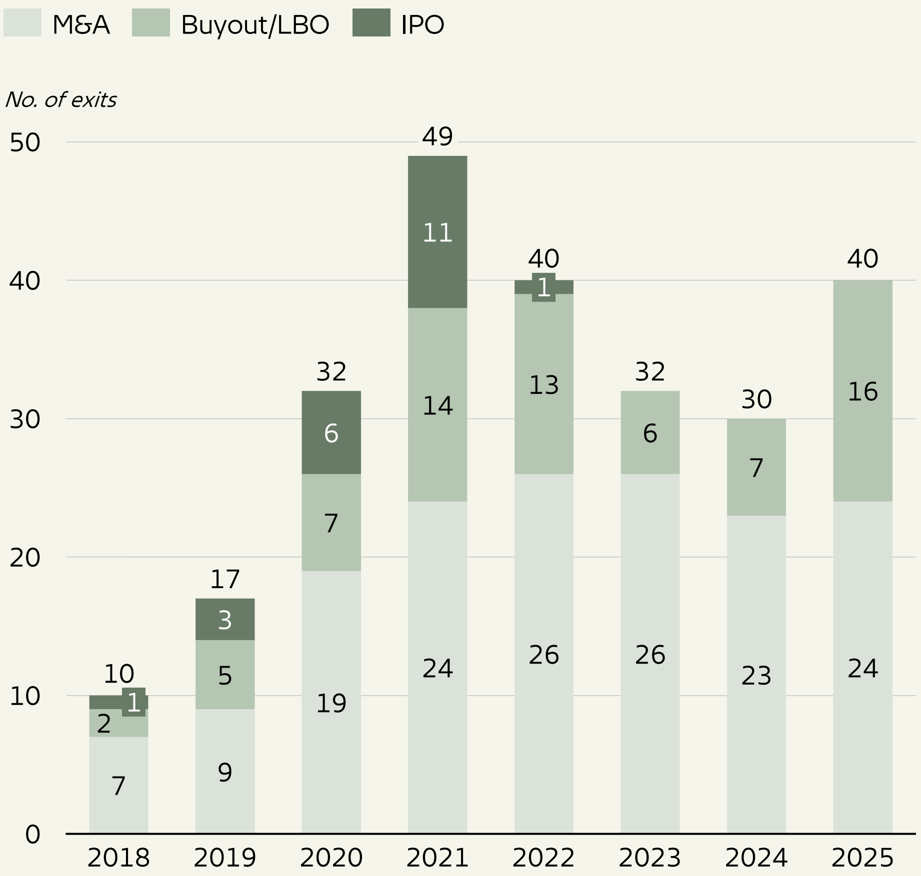
Note: Capital is attributed by equal investor share within each round, as investor-level deployment is not observed, which may understate the foreign share of capital.
Source: EIFO, Pitchbook, Dealroom.

Highlights

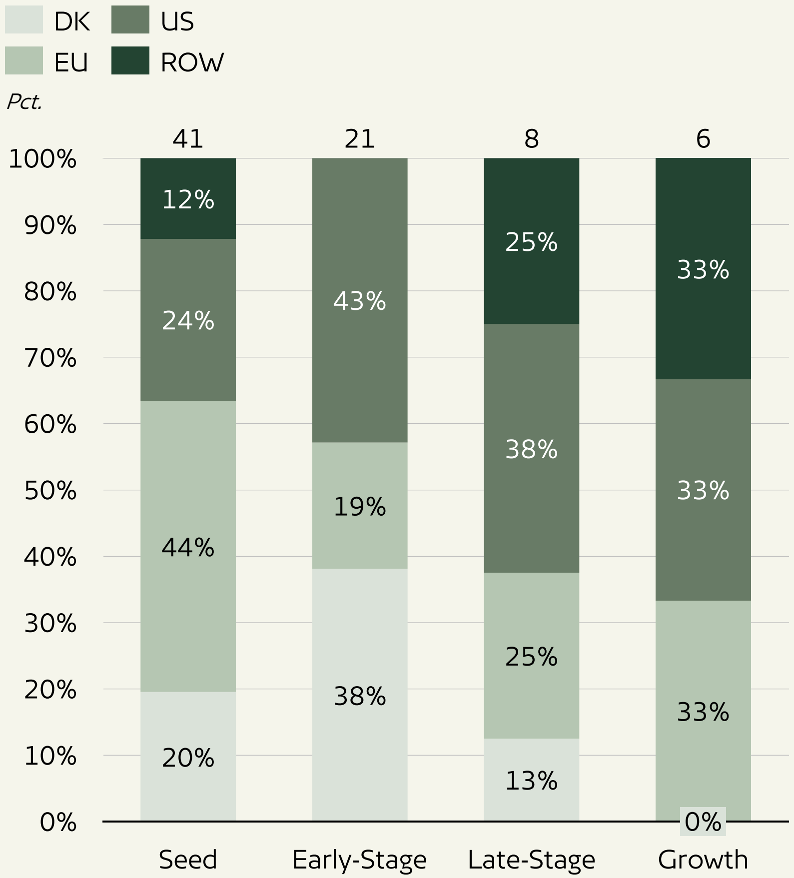
- Danish investors take part in most growth-stage rounds, around 71 percent, but increasingly alongside foreign partners: purely Danish rounds fall from 45 percent at Seed to 8 percent at Growth, while mixed syndicates rise from 30 to 63 percent.
- The Danish share of capital declines in parallel, from 57 percent at Seed to 28 percent at Growth, while US capital rises from 7 to 29 percent, leaving foreign investors with roughly 72 percent of Growth-stage capital.
- Yet Danish investors remain disproportionately present relative to their numbers, supplying that 28 percent from only 14 percent of growth-active investors, a reflection of broad participation rather than large individual investments.

Danish VC-backed exits are dominated by acquisitions and increasingly land with foreign buyers, especially at later stages

Total Danish VC-backed exits by type and year



Danish VC-backed exits by stage and location, 2018-2025



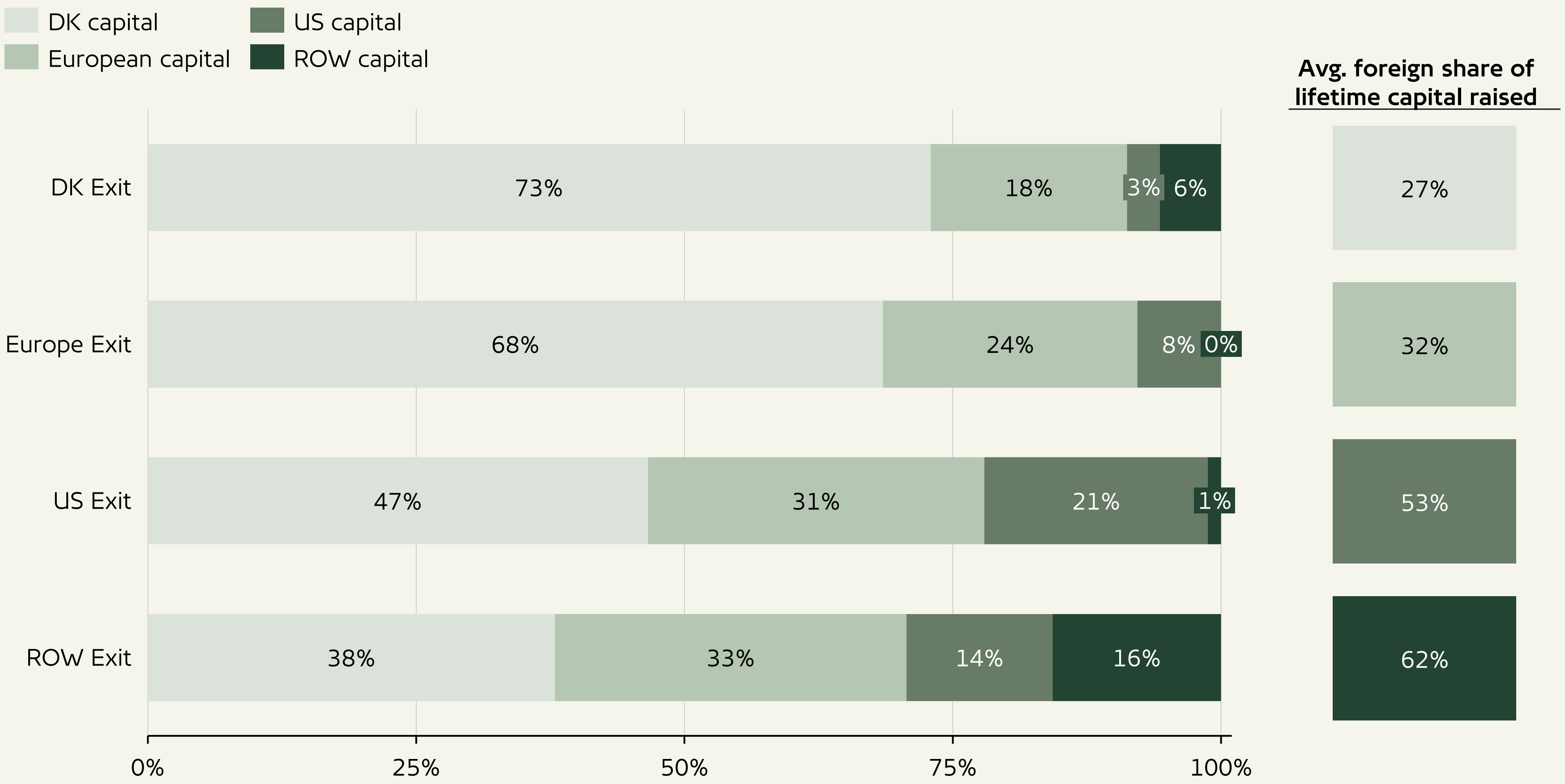
Highlights

- Exit activity has grown substantially since 2018, with M&A the dominant route throughout, accounting for 158 of 250 exits, or 63 percent, over the period, while IPOs have become rare, falling to zero from 2023 onward.
- Foreign buyers account for the large majority of exits at every stage, rising from 80 percent at Seed to 100 percent at Growth, so no growth-stage company in the cohort was acquired by Danish owners or listed in Denmark.
- The United States is the single largest exit destination at the later stages, at 38 percent of Late-Stage and 33 percent of Growth exits, consistent with the concentration of US capital in the later stages.

Note: Exit location is the acquirer's country, or the listing country for IPOs. Left panel covers all Danish VC-backed exits recorded in Pitchbook (n=250). Right panel is restricted to exits matched to a company in the venture-transaction dataset (n=76), as the stage breakdown requires each company's funding history.
Source: EIFO, Pitchbook, Dealroom.

Companies that exited to foreign buyers had raised markedly more foreign capital, with the foreign share rising in step with the foreignness of the acquirer

Average share of lifetime capital raised, by investor origin and exit location, 2018-2025



Note: Average of each company's own capital-origin mix (company-weighted), by exit location, 2018–2025. Restricted to exits matched to a company in the venture-transaction dataset (n=76). Capital is attributed by equal investor share within each round, as investor-level deployment is not observed.
Source: EIFO, Pitchbook, Dealroom.

Highlights

- The foreign share of lifetime capital rises steadily with the foreignness of the exit, from 27 percent for companies acquired or listed in Denmark to 32 percent for European exits, 53 percent for US exits, and 62 percent for the rest of the world.
- Domestically exited companies raised roughly three-quarters of their capital from Danish investors, at 73 percent, whereas US-exited companies raised less than half domestically, at 47 percent, with a materially larger US-capital share of 21 percent.
- The pattern holds across all four exit destinations without exception, indicating a consistent association between the origin of a company's capital and where it ultimately exits.

Examples of recent Danish VC-backed exits by stage and type

#	Company	Type	Exit Date	Acquirer	Acquirer / Exit location	Last investment
Growth						
1	Contractbook	Buyout	18-06-2025	scrive.	Sweden	10-03-2022
2	NIL TECHNOLOGY	M&A	20-09-2024	瑞儀光電股份有限公司 Radiant Opto-Electronics Corporation	Taiwan	07-05-2024
3	eloomi	M&A	31-01-2024	dayforce	United States	07-06-2021
4	Trustpilot	IPO	23-03-2021	N/A	United Kingdom	05-03-2019
5	Peakon	M&A	09-03-2021	workday.	United States	19-03-2019
6	planday	M&A	03-03-2021	xero	Australia	28-08-2018
Late-Stage						
7	EVOSEP	Buyout	31-12-2025	NORDIC CAPITAL	Sweden	09-01-2023
8	ageras	M&A	30-11-2025	cegid	France	20-04-2024
9	Forecast	M&A	31-07-2025	Accelo	United States	30-06-2017
Early-Stage						
10	swiipe	M&A	23-04-2025	aera	Norway	21-06-2021
11	BLUE OCEAN ROBOTICS	M&A	11-02-2025	3C GROUPS	Denmark	25-07-2023
12	ValconMedical	M&A	01-01-2025	SUNGROWN	United States	09-05-2022
Seed						
13	GamerPay	M&A	10-11-2025	SOCIAL FIRST	Finland	27-10-2021
14	Viio	M&A	31-10-2025	MATRIX42	Germany	20-06-2024
15	AskCody	M&A	01-10-2025	VOLARIS	Canada	14-03-2019

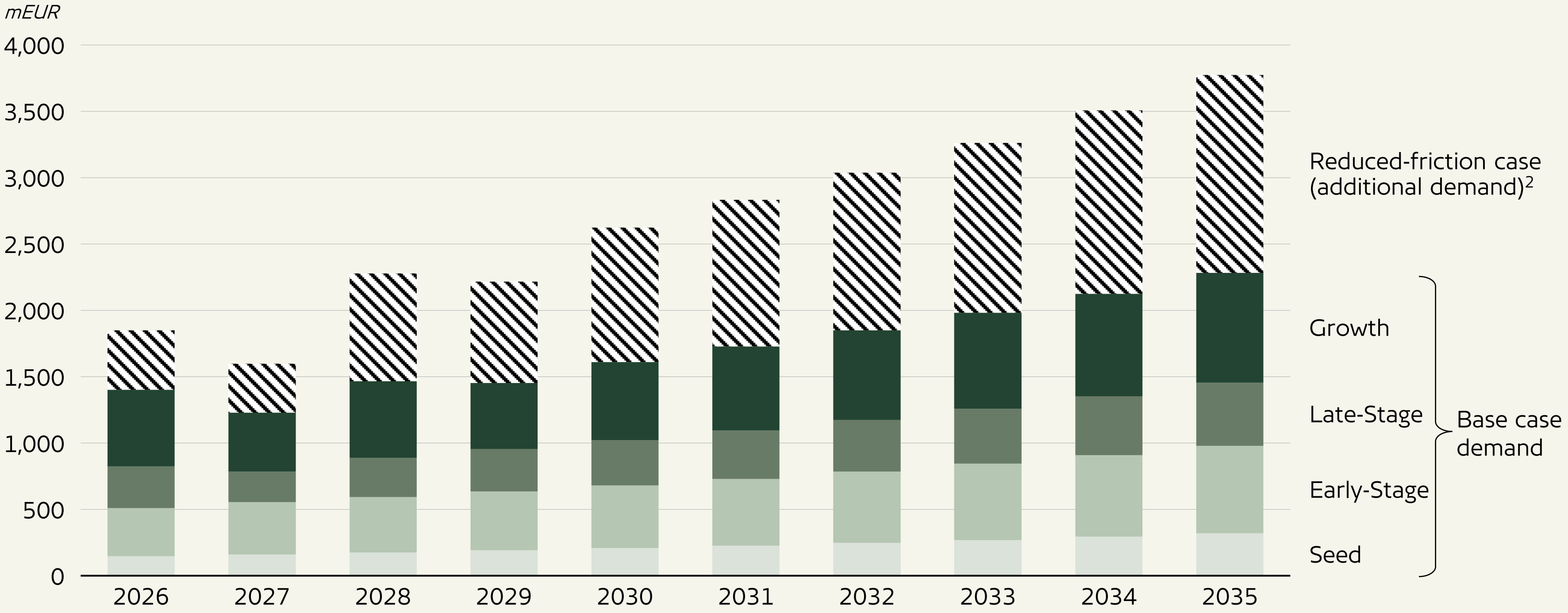
Note: The listed exits are a sample and does not reflect the full list of Danish VC-backed exits.
Source: EIFO, Pitchbook, Dealroom.

The Growth Funding gap

Even under today's financing friction, Danish VC demand is projected to reach 17 billion euro over 2026 to 2035, and up to 27 billion if friction eases

Projected Danish VC demand by stage and case, 2026-2035

*In each stage a share of companies stall, remaining active without advancing. Some have quietly withdrawn, while others have unmet demand for capital, **financing friction**, though the split between the two is unobservable. **The base case** carries today's financing friction forward, projecting demand from the market's realised stage-to-stage dynamics. **The reduced-friction case** assumes these stalled companies instead follow their cohort's outcome rates, so a portion advance while the rest remain stalled, exit, or default as the cohort did. In practice this raises the graduation rate at each stage; from Seed to Early-Stage, for example, it rises from 34.1 to 46.5 percent.*[1]



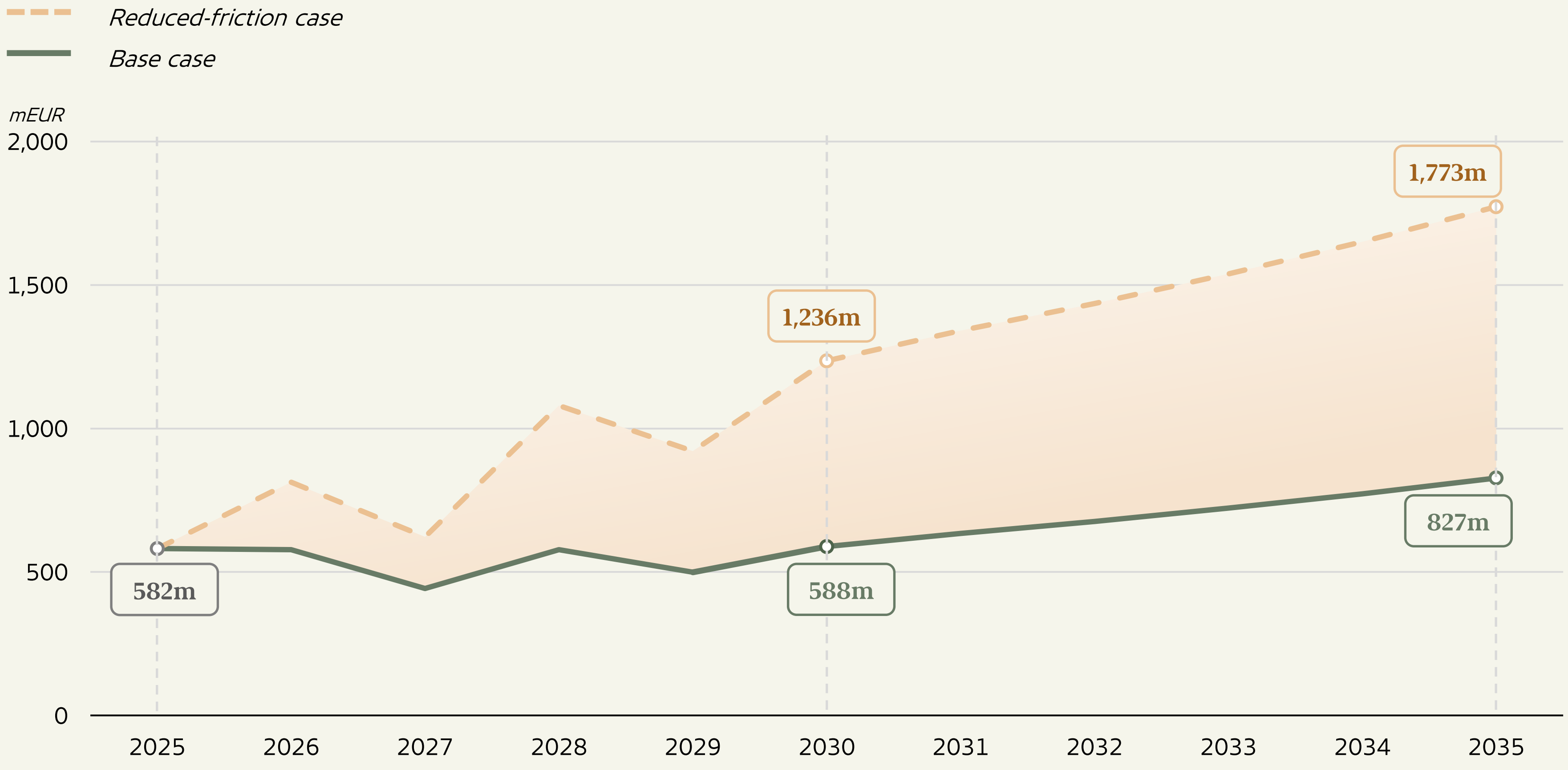
Note: 1) Base case applies realised stage-to-stage transition rates. Reduced-friction case assumes a fraction of still-active companies had unmet demand and would have graduated at the cohort rate. The change in graduation rate at each stage is shown in the appendix. 2) Additional demand is shown in aggregate, not split by stage.
Source: EIFO.

Highlights

- Cumulative demand over 2026 to 2035 ranges from 17.1 billion euro in the base case to 27.0 billion euro under reduced friction, so even the conservative case points to a substantial and growing need for venture capital over the coming decade.
- The gap between the two cases widens every year, from roughly 0.4 billion euro in 2026 to 1.5 billion euro in 2035, indicating that the demand currently suppressed by financing friction compounds as more companies reach the stages where capital is scarce.
- Additional demand is concentrated in the later stages, where round sizes are largest and capital constraints are greatest.

Growth-stage companies alone account for roughly 6 to 12 billion euro of demand, and for the majority of the capital that friction currently suppresses

Projected Danish Growth VC demand by case, 2026-2035



Note: Base case applies realised stage-to-stage transition rates. Reduced-friction case assumes a fraction of still-active companies had unmet demand and would have graduated at the cohort rate. Figures cover the Growth stage only; see prior slide for all-stage totals.
Source: EIFO.

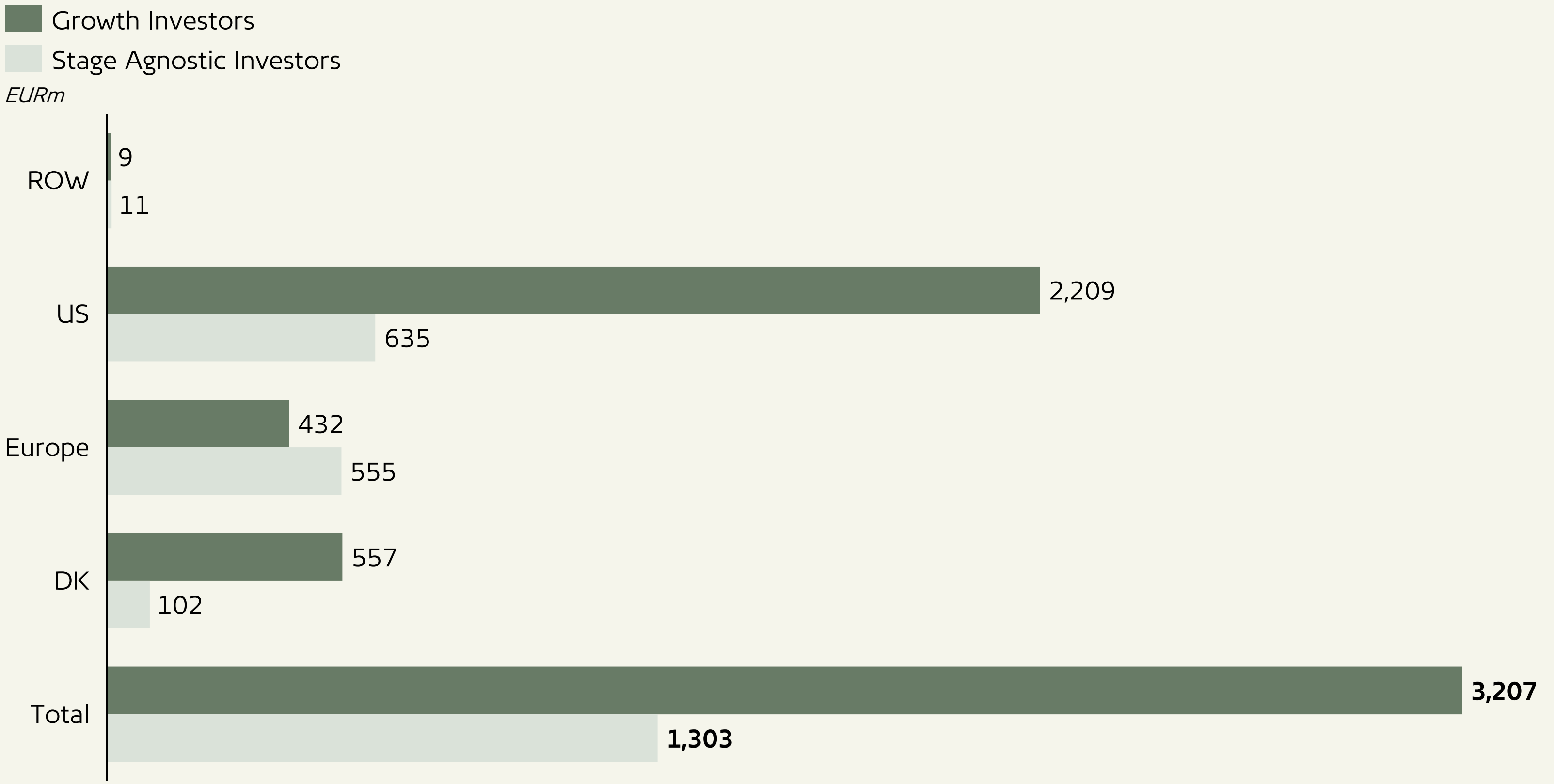
EIFO

Highlights

- Cumulative growth-stage demand over 2026 to 2035 ranges from 6.3 billion euro in the base case to 12.4 billion euro under reduced friction, so the reduced-friction case roughly doubles the growth-stage requirement.
- The 6.1 billion euro gap between the two cases at the growth stage represents 62 percent of the total suppressed demand across all stages, confirming that financing friction bites hardest where companies scale.
- The gap between the two cases widens over the horizon, from 0.2 billion euro in 2026 to 0.9 billion euro by 2035, as successive cohorts reach the growth stage where the reduced-friction case adds the most demand.

Dedicated growth capital for Danish companies is scarce and largely American

Estimated capital available for Danish Growth VC over 2026 to 2035, by investor origin and type



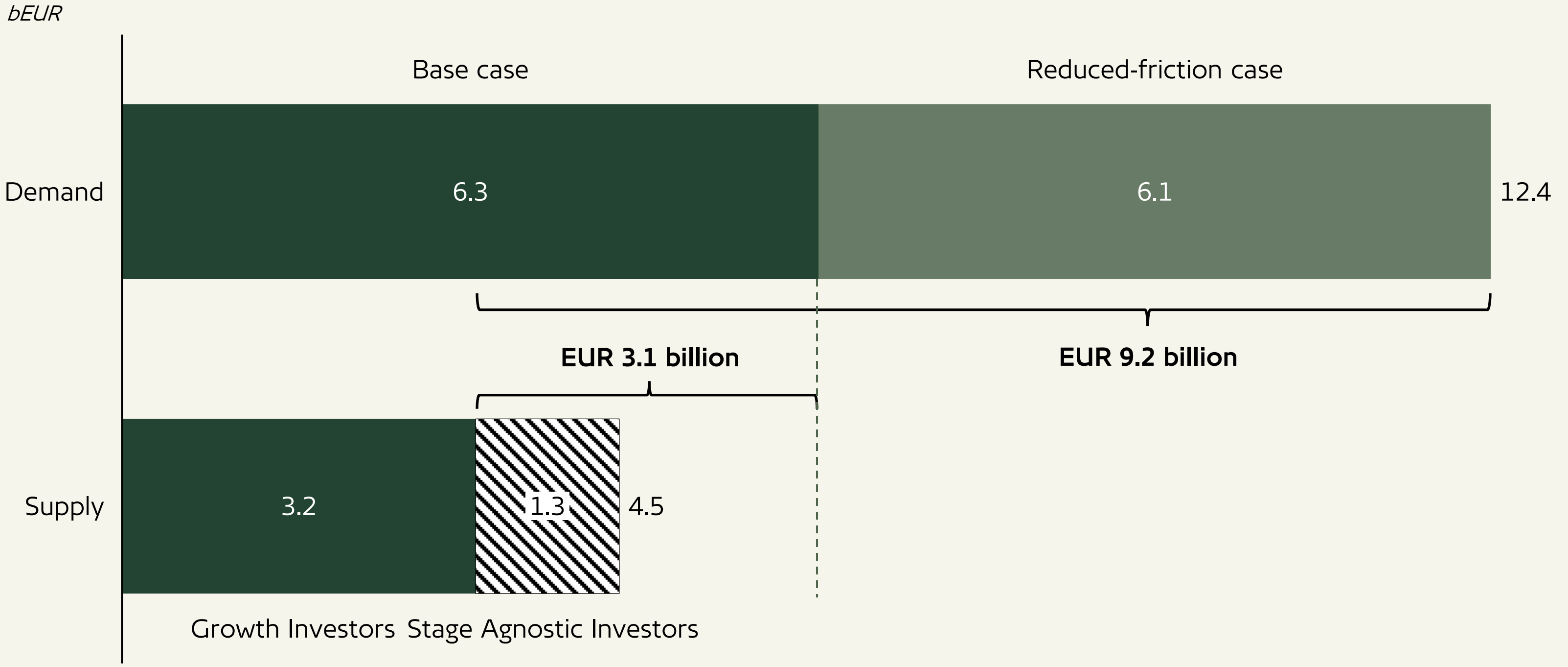
Note: Capital is allocated to Danish growth by each investor's historic Danish and growth-stage shares of investments, using recent investment activity extrapolated over ten years.
Source: EIFO, Pitchbook, Dealroom.

Highlights

- Dedicated growth investors hold an estimated 3.2 billion euro available for Danish growth-stage investment over the next decade, of which US investors account for 2.2 billion euro, or 69 percent, leaving Danish dedicated growth capital at just 0.6 billion euro.
- Stage-agnostic investors add only a further 1.3 billion euro, but this capital is not dedicated to growth-stage investment and deploys there only opportunistically, so it cannot be relied upon to meet growth demand.
- Denmark therefore contributes little growth capital of its own, dedicated or otherwise, leaving the reliable supply concentrated among a small number of foreign, primarily US, investors.

Danish growth companies face a funding gap of 3.1 to 9.2 billion euro from 2026 to 2035, once opportunistic capital is set aside

Estimated funding gap in Danish growth VC, 2026-2035



Highlights

- Measured against the 3.2 billion euro of dedicated growth capital, projected demand implies a funding gap of 3.1 billion euro in the base case and 9.2 billion euro under reduced friction over 2026 to 2035.
- Even the 1.3 billion euro of stage-agnostic capital, if fully redirected to growth, would close only a fraction of the gap, and being opportunistic it cannot be counted on to do so.
- The gap reflects a genuine scarcity of dedicated growth capital, not a timing or allocation problem, and it widens sharply if the demand currently suppressed by financing friction is realised.

Note: Gap is demand less dedicated growth-investor supply (3.2 billion euro). Stage-agnostic supply (1.3 billion euro) is shown for context but excluded from the gap, as it is not dedicated to growth-stage investments.
Source: EIFO, Pitchbook, Dealroom.

Appendix

Appendix 1/3

Data and scope

The analysis draws on EIFO's venture-transaction data on Danish VC-backed companies, supplemented by Pitchbook and Dealroom for exit and fund-level data and by CVR for company status and incorporation dates.

The transaction record extends back to 2007, but coverage before 2018 is sparse, so all cohort and rate calculations use 2018 to 2025. Earlier transactions are retained only where they establish a company's funding history.

The dataset contains 1,035 recorded rounds, of which 967 fall within scope after excluding unclassified rounds and rounds dated 2026, mapping to 568 companies. Monetary figures are converted to euro at fixed rates of 7.45 DKK and 0.88 USD per euro, applied throughout so currency movements do not distort comparisons.

Stage classification

Each company is assigned to the furthest of four stages it has entered, Seed, Early-Stage, Late-Stage, or Growth, based on capital raised, funding rounds, and scale. Bridge rounds are collapsed into their parent stage. Full rules are in the company stage-definition standards.

Key methodological choices and their direction

› Seed inflow at 9 percent per year is below the observed 2018–2025 growth rate, so projected new-company inflow, and total demand, is conservative.

› Supply is held flat rather than following the slight observed decline in investment activity, making the supply estimate, and therefore the funding gap, conservative.

› The reduced-friction case applies cohort outcome rates to stalled companies, so it is an upper bound on demand, not a forecast; only a fraction of stalled companies advance.

› Capital is attributed by equal investor share within each round, reflecting participation rather than cheque sizes, which likely understates the foreign share of growth capital.

› Exit origin and stage analysis covers only the 76 exits matched to the transaction dataset, a lower bound on Danish VC-backed exits.

› Late-Stage and Growth cohorts are small (39 and 27 mature companies), so stage-specific rates for these stages are indicative.

The projection model

The projection estimates future Danish VC capital demand by following companies through the funnel from Seed to Growth. It adapts a stage-to-stage version of the graduation model used in EIFO's earlier Life Science venture analysis, tracking companies from one stage to the next rather than from one financing round to the next.

Companies as the unit, not rounds

Because a company typically raises several rounds within a stage, graduation cannot be measured by comparing round counts across stages. The model runs on company entries: a company is counted as entering a stage at its first round in that stage, and the multi-round reality is handled separately through a capital-intensity term.

Appendix 2/3

Three inputs, estimated from the 2018–2025 cohort

- Graduation rate: the share of companies entering a stage that go on to reach the next, estimated over mature cohorts (observed at least two years).
- Graduation time: the median months from a company's first round in a stage to its first round in the next, setting the lag with which cohorts move through the funnel.
- Capital intensity: the average number of rounds per company in a stage times the average round size, converting a cohort of companies into a capital figure.

How the projection model runs forward

New companies enter at the Seed stage, projected from Danish company formation scaled by the historical rate at which new companies raise venture capital, and grown at 9 percent per year. This is deliberately conservative: the observed Seed-entry growth rate over 2018–2025 is higher, so the projection understates likely new inflow.

Each subsequent stage is fed by the one before it. Companies entering a stage in a given year equal those that entered the previous stage, lagged by the graduation time, multiplied by the graduation rate. Each stage's demand is its entering companies times its capital intensity, and total demand is the sum across all four stages.

Two cases: base and reduced friction

The base case carries the market's realised graduation rates forward, implicitly carrying today's level of financing friction, the capital constraints that leave some companies stalled rather than advancing.

The reduced-friction case asks what demand would be if that friction eased. Stalled companies are assumed to follow their cohort's full outcome rates. Because the cohort itself retains a stalled share, only a fraction advance while the rest remain stalled, exit, or default, so the case is an upper bound, not a forecast. Exit and default rates are unchanged; friction acts only on the still-active pool.

Graduation rates by stage: base case vs. reduced-friction case

Stage transition	Base case	Reduced-friction case
Seed → Early-Stage	34.1%	46.5%
Early-Stage → Late-Stage	36.4%	51.2%
Late-Stage → Growth	46.2%	65.1%

Appendix 3/3

Capital supply and the funding gap

The supply side estimates the capital plausibly available for Danish growth-stage investment over 2026–2035. For each active investor, available capital is estimated by extrapolating its average annual investment volume since 2021 over ten years, then scaling by the investor's observed Danish share and growth-stage share of activity.

Extrapolation is applied uniformly across all investors for consistency, rather than mixing in fund-level dry-powder estimates for the minority where they exist. Observed activity declined slightly over the sample, so holding the annual average flat, rather than applying the negative trend, makes the supply estimate, and the funding gap, deliberately conservative.

Supply is split into dedicated growth investors and stage-agnostic investors, the latter active across stages without a dedicated growth focus and treated as only opportunistically available. The funding gap is measured against dedicated growth capital only; stage-agnostic capital is shown for context but excluded, as it cannot be relied upon to meet growth demand.

Capital origin attribution

Several figures attribute capital to investor origins (Denmark, Europe, US, rest of world). Because investor-level deployment within a round is not observed, each round's capital is split equally across its participating investors and assigned by origin.

The attribution therefore reflects participation rather than actual cheque sizes. Since growth-stage rounds are often led by large foreign funds, this method, if anything, understates the foreign share of capital.

The home-bias figures comparing capital origin to exit destination use a company-weighted average, the mean of each company's own capital-origin mix. This is distinct from the capital-weighted shares used elsewhere and is noted where it applies.

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