



Pääomasijoittajat
Finnish Venture Capital Association

H1/2021 Venture Capital in Finland

Statistics on fundraising, investments, and divestments

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Private Equity

Startup

A young and innovative company that typically strives for rapid international growth with a scalable business model.

Venture Capital (VC)

Venture capital investors invest in startups at different growth stages, becoming **minority owners** in their portfolio companies.

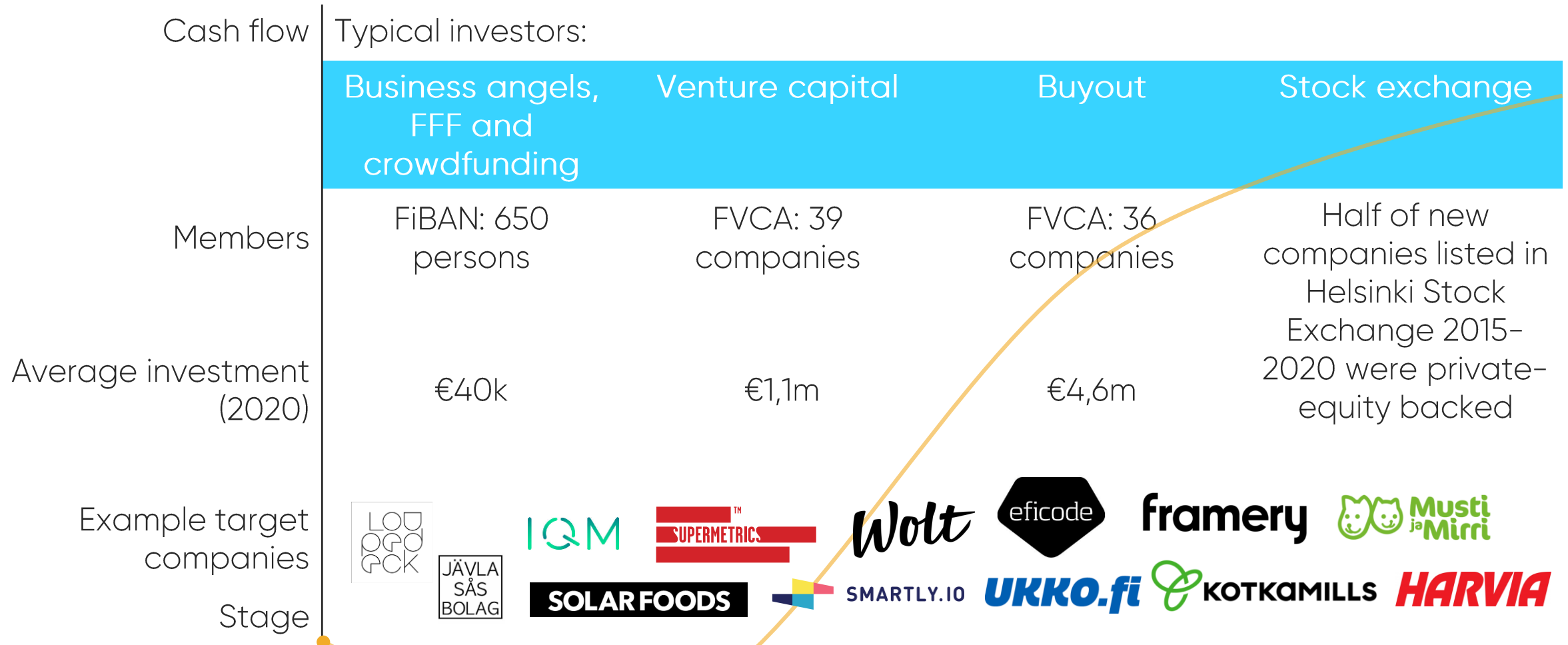
Growth Company

A company with established business operations, revenue, & potential for continued growth. Revenue can range from a few million to hundreds of millions.

Buyout (BO)

Buyout investors target more established growth companies. The investments can be **majority or minority investments**. The minority investments are often called **growth** investments.

Private Equity Investors by Stage



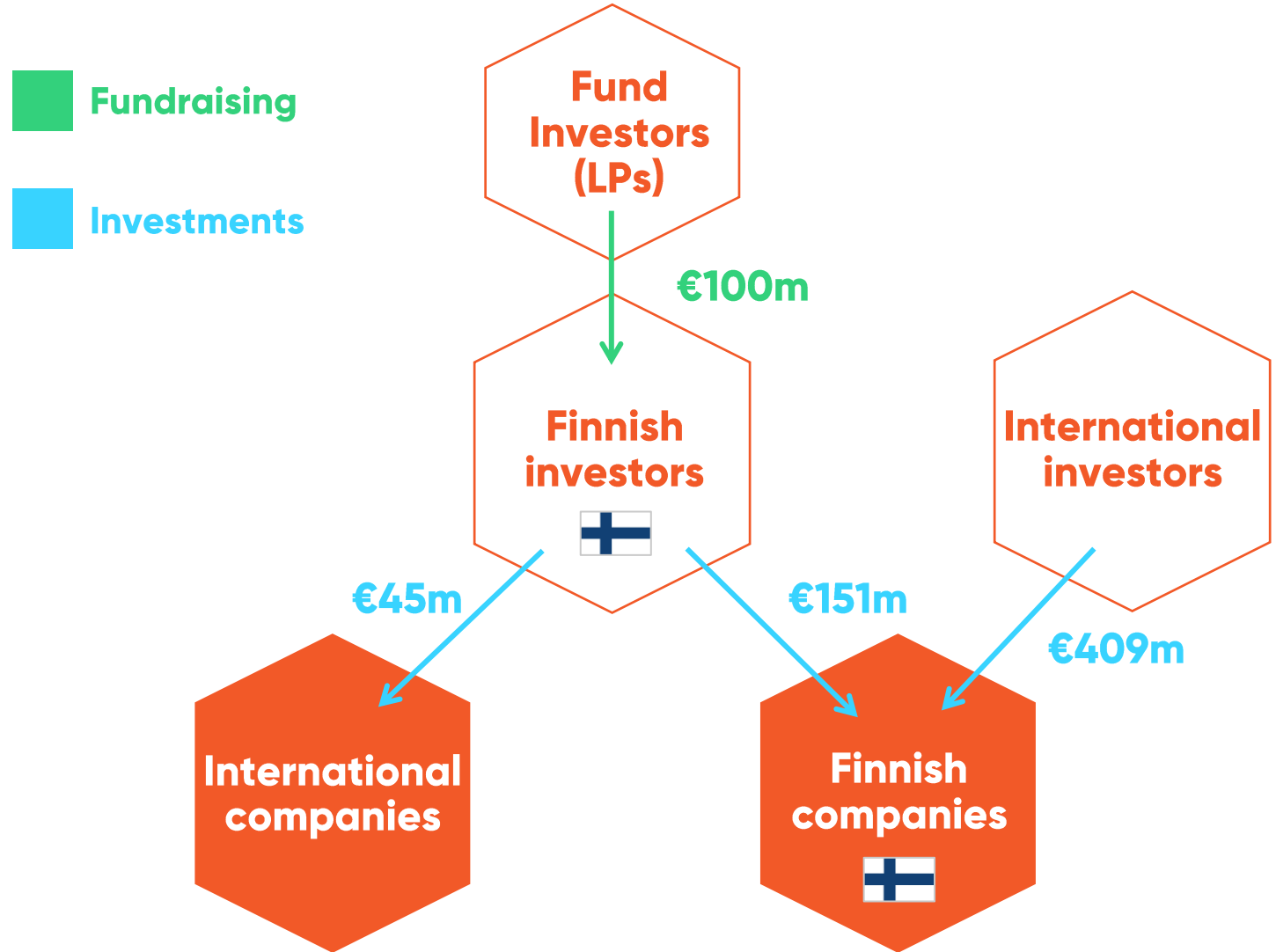
Venture Capital (VC) H1/2021

€560m

VC investments in Finnish startup companies

€196m

Investments made by Finnish VC investors.



Note: The statistics include VC investments only.
Sources: FVCA, EDC

Venture Capital (VC) H1/2021

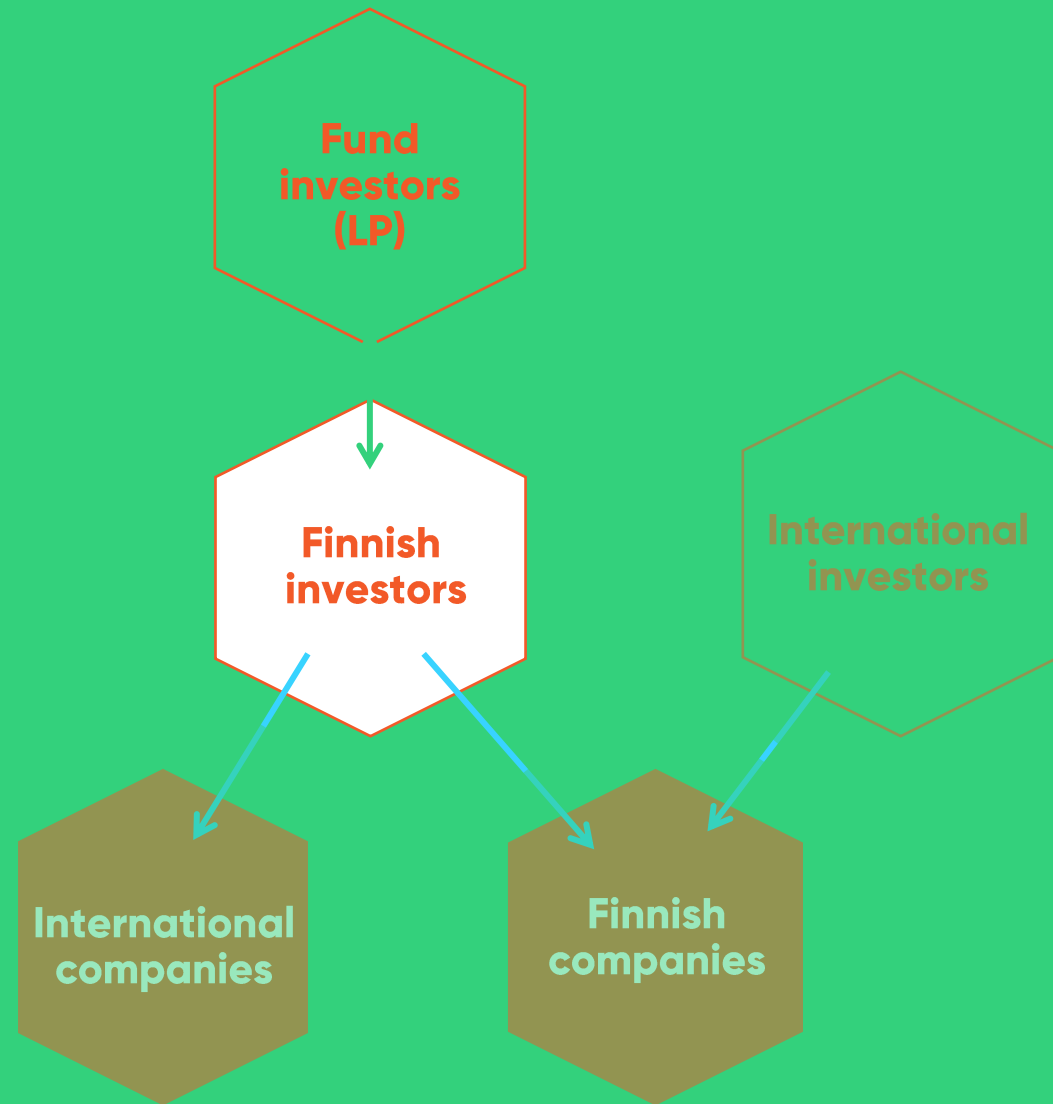
Statistics in brief.

- Finnish VCs raised a total of **€100m** of new funds.
- Finnish VCs invested a record total of **€196m** in **136** domestic and foreign companies.
- The internationalisation of the Finnish VC industry continued, with a record sum of **€45m** being invested in **41** companies abroad.
- A total of **108** Finnish companies received a domestic or foreign VC investment.
- Finnish companies received a record-total of **€560m** of VC investments.
- The majority of investments in Finnish companies, **€409m**, came from foreign investors, and **€151m** from Finnish investors.

Industry Statistics

Finnish venture capital investors' activity
in Finland and abroad

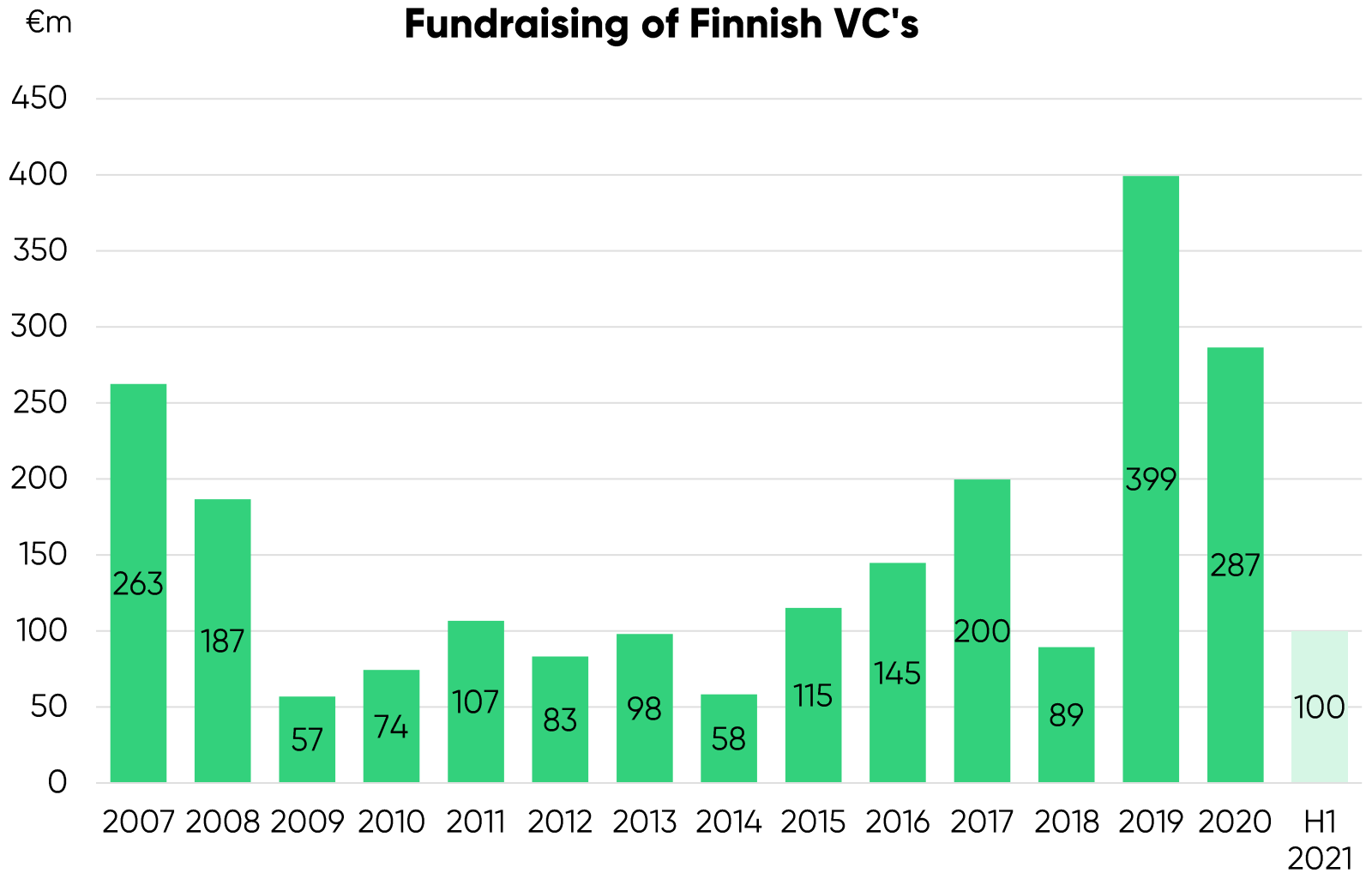
Fundraising



New Funds Raised for Future Investments

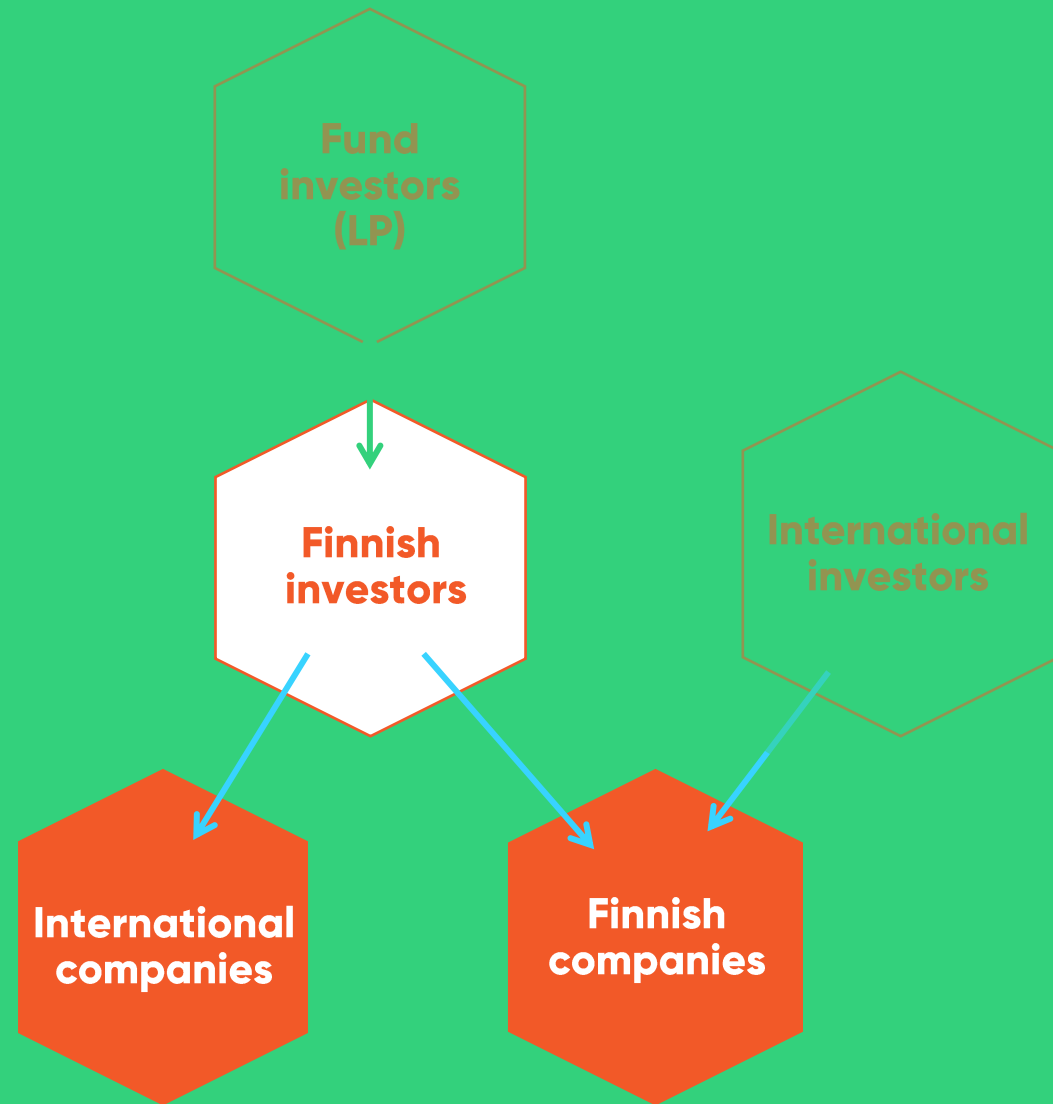
€100m

Funds raised to Finnish VC funds in the first half of 2021.



Sources: FVCA, EDC

Investments

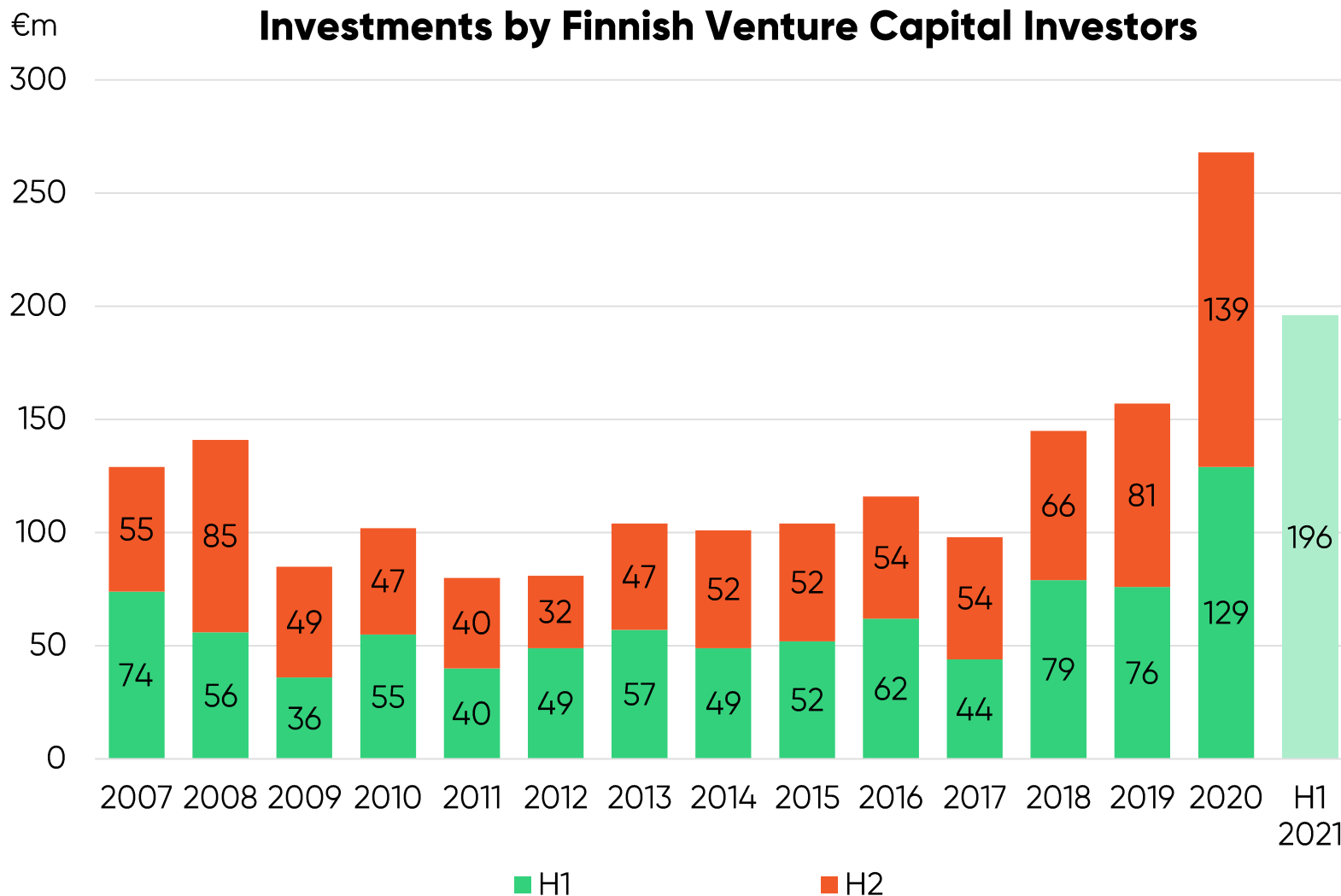


A Record Sum Invested by Finnish VCs Over a Six-Month Period

€196m

The sum of investments made in the first half of 2021 reached an all-time high.

This was the third consecutive half-a-year period that the record was broken.



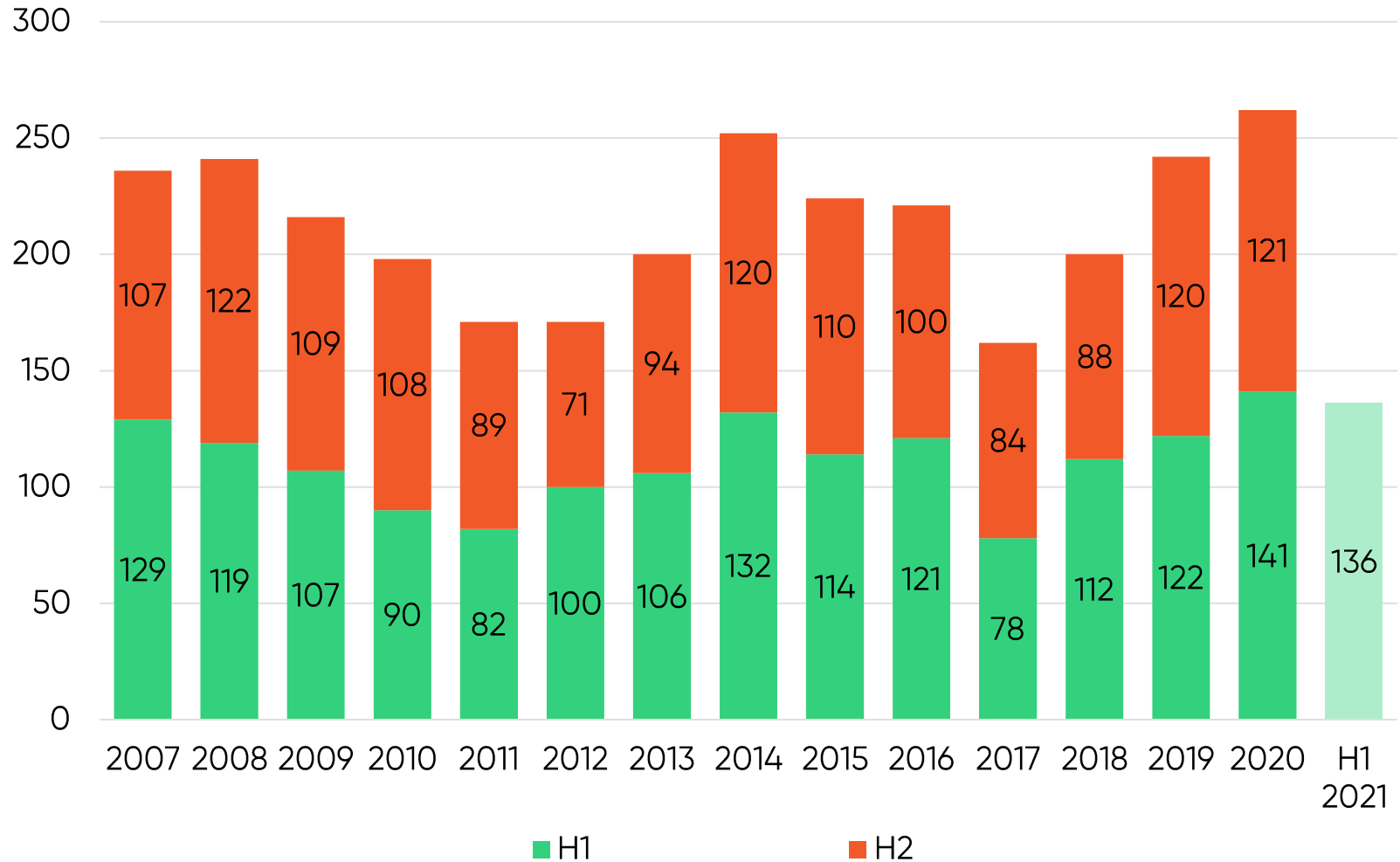
Close to a Record Amount of Companies Received an Investment in H1/2021

136 companies

received an investment from
a Finnish VC investor in the
first half of 2021.

The number of companies
receiving an investment almost
reached an all-time record.

Nbr companies **Investments by Finnish Venture Capital Investors**

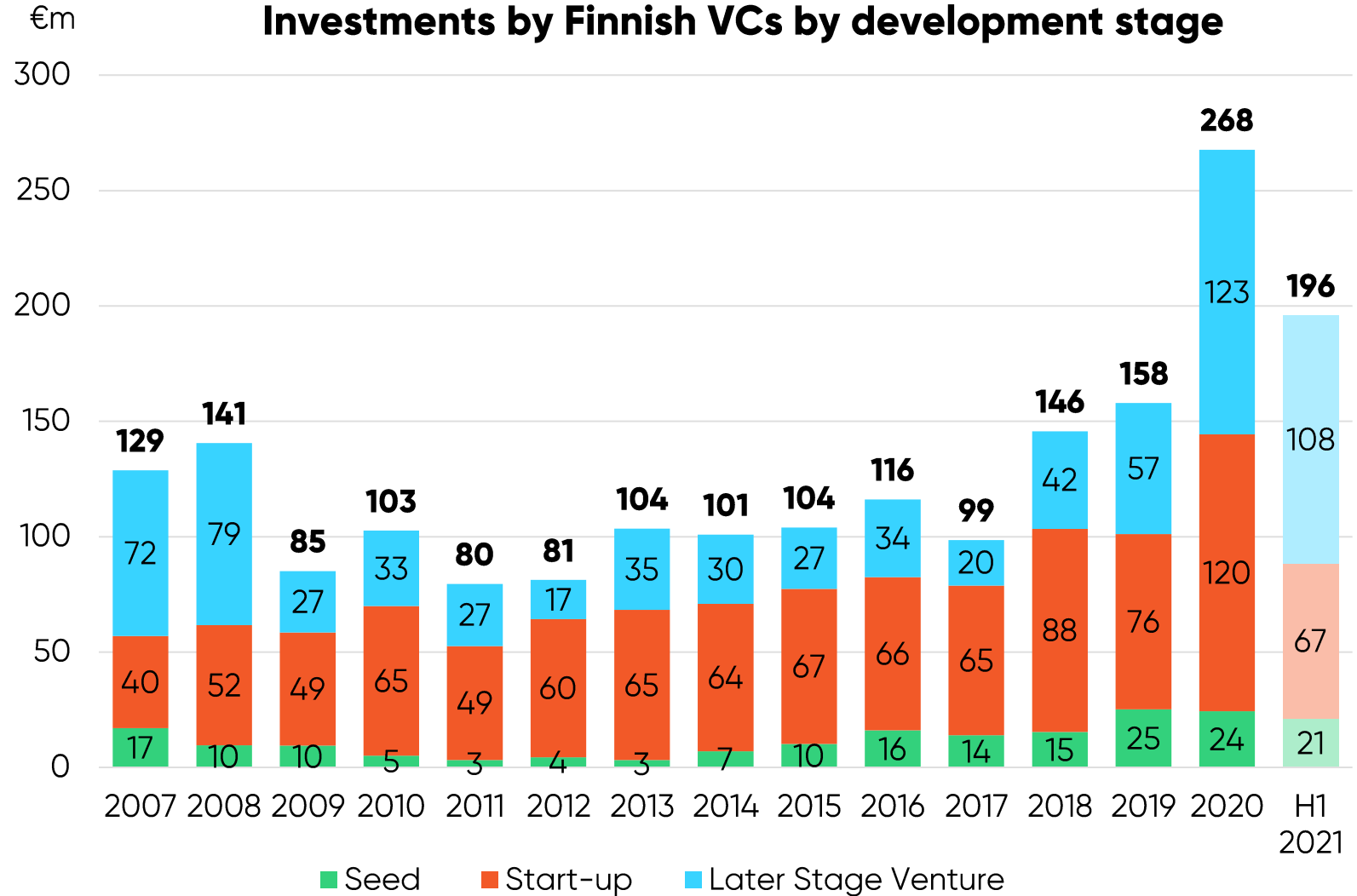


Record Investments in All Stages

€108m

Later-stage venture investments are already approaching the level of full previous years.

The first half of 2021 saw record amount invested in all investment stages.



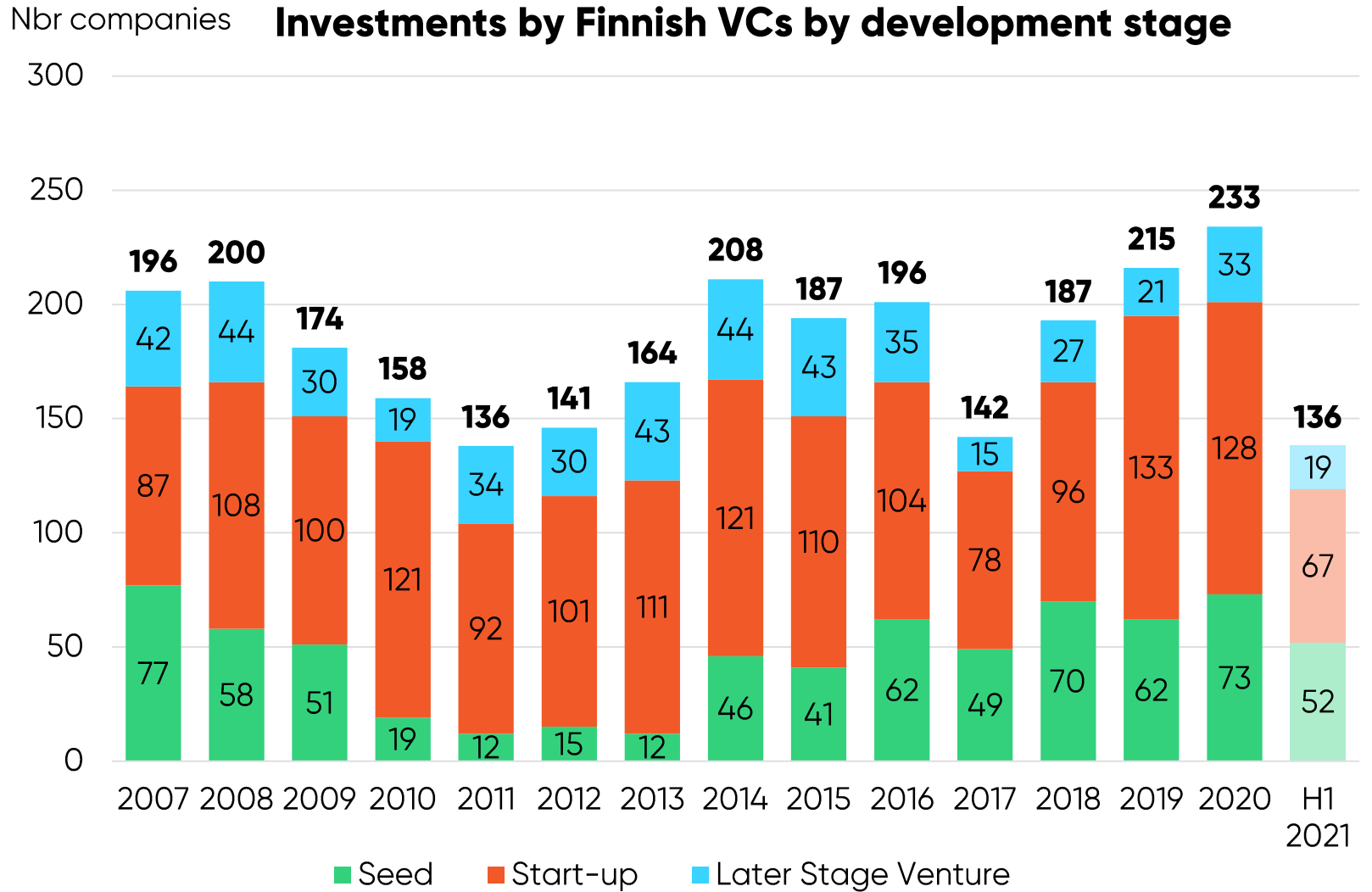
The Number of Companies Receiving Funding is Growing

136 companies

received funding from Finnish VC investors in H1/2021.

52 companies

that are only starting their operations received a seed-stage investment.



Note: The company may have received an investment at different stages during the period, which is why the total amount may be lower than the sum of the parts.

Sources: FVCA, EDC

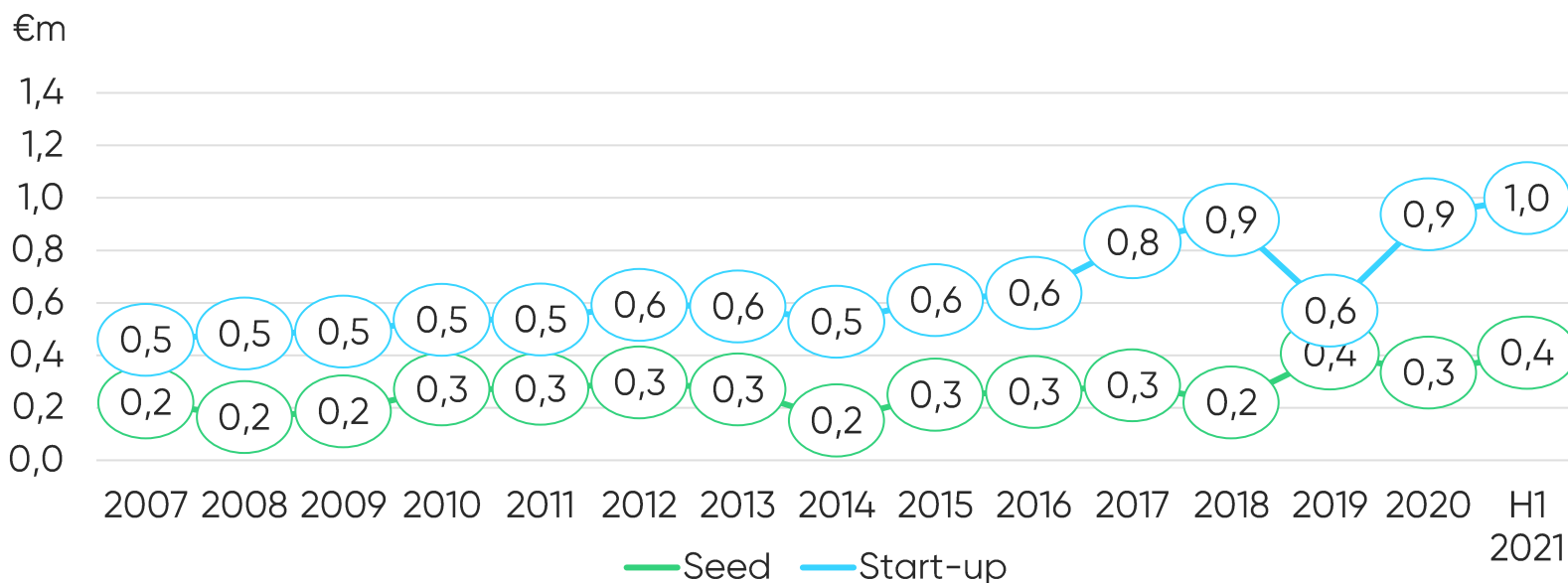
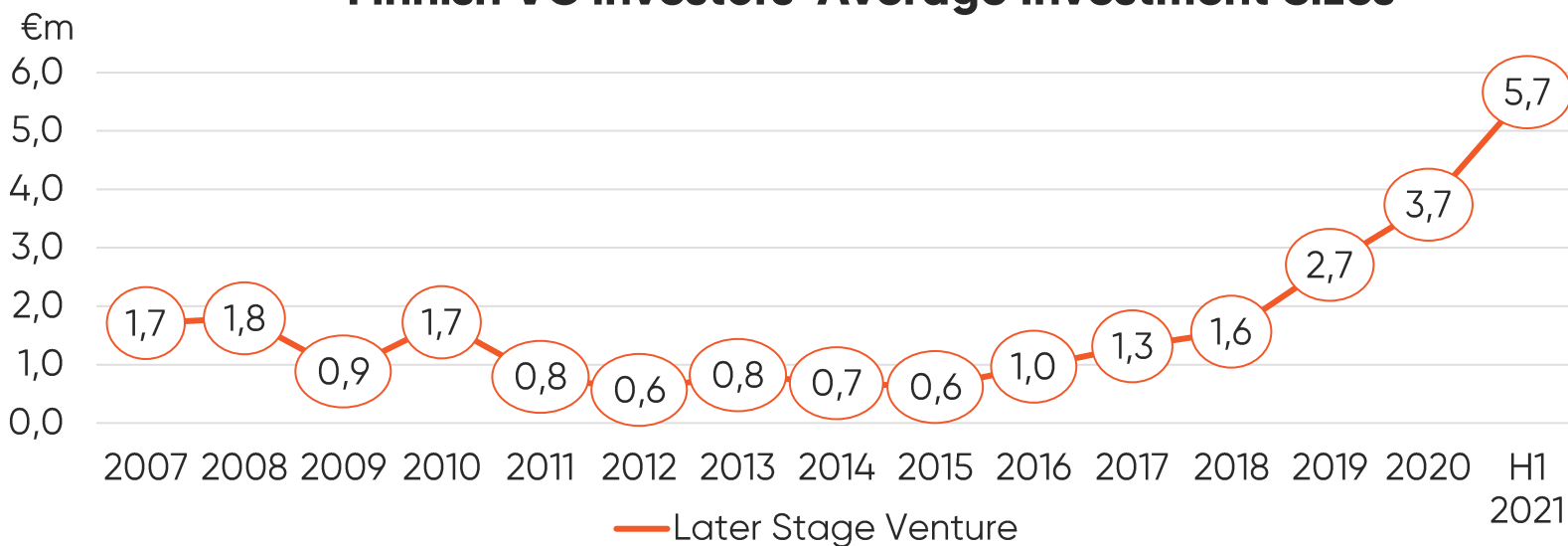
VC Investments Increasing in Size

€5,7m

The average investment size in later stage venture investments in H1/2020.

The average investment size has increased in all stages, especially in later-stage investments.

Finnish VC investors' Average Investment Sizes



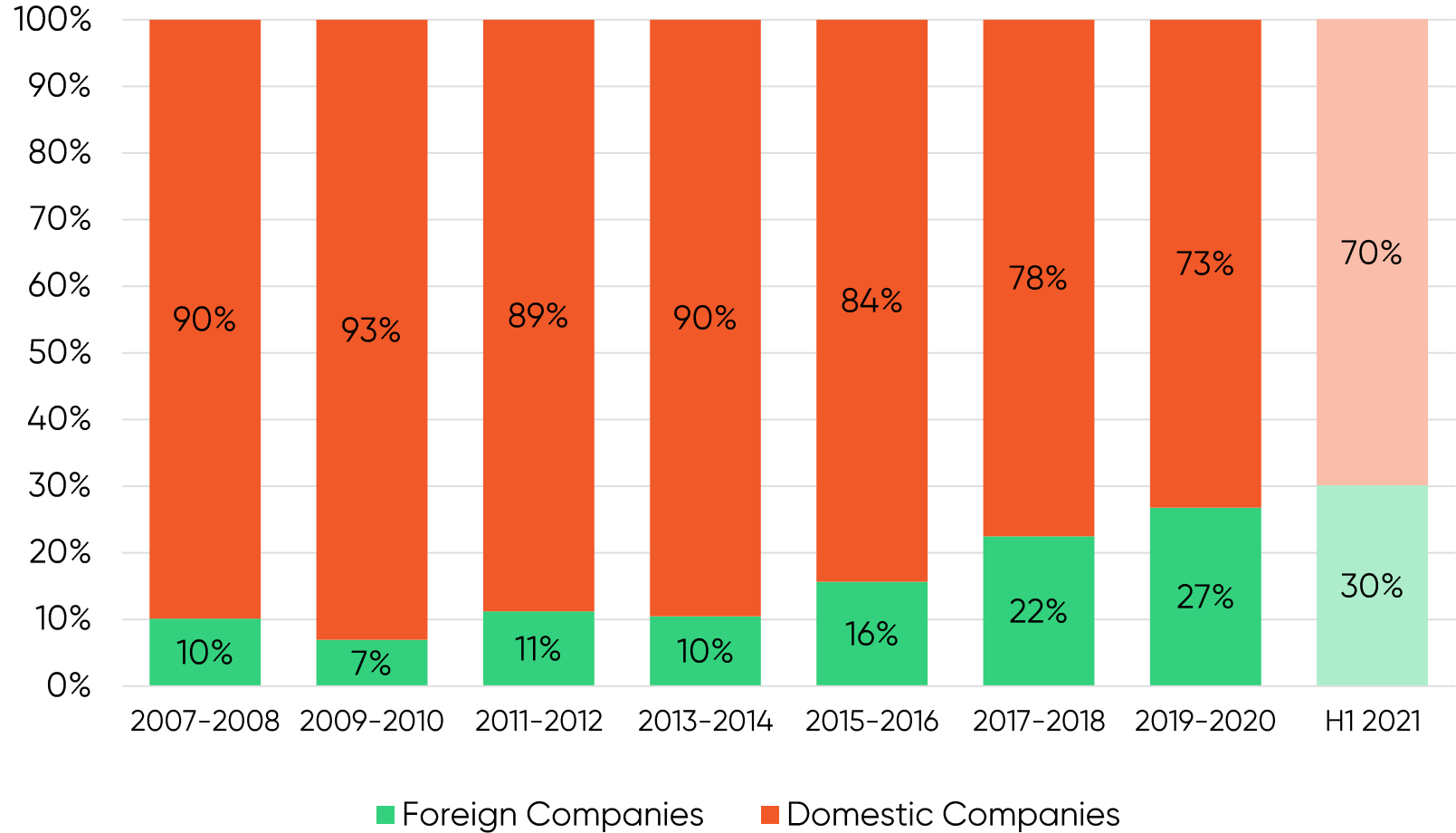
The Share of International Investments Growing

Foreign companies are choosing Finnish VCs as their partners in growth more and more often.

With international investments, new know-how is accumulated for both investors and portfolio companies, and networks with international investors are strengthened.

Investments in Foreign Companies by Finnish VC Investors

Nbr companies



A New Record in VC Investments Made in Foreign Companies

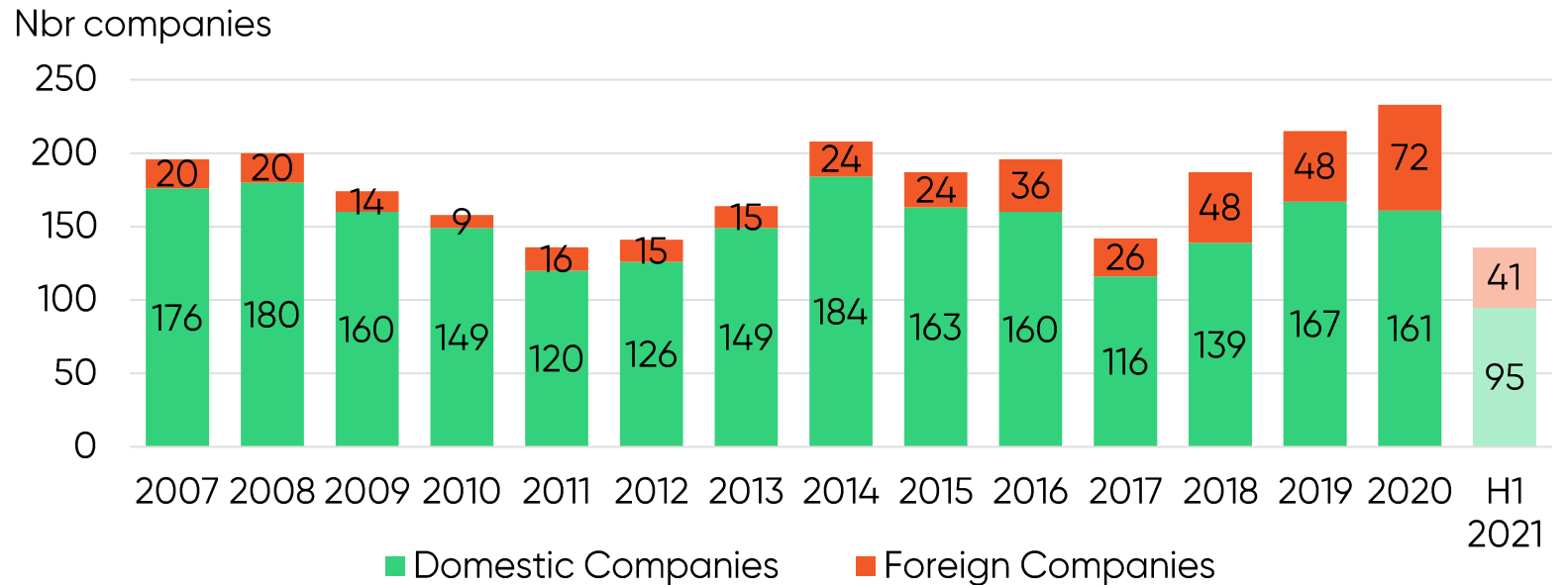
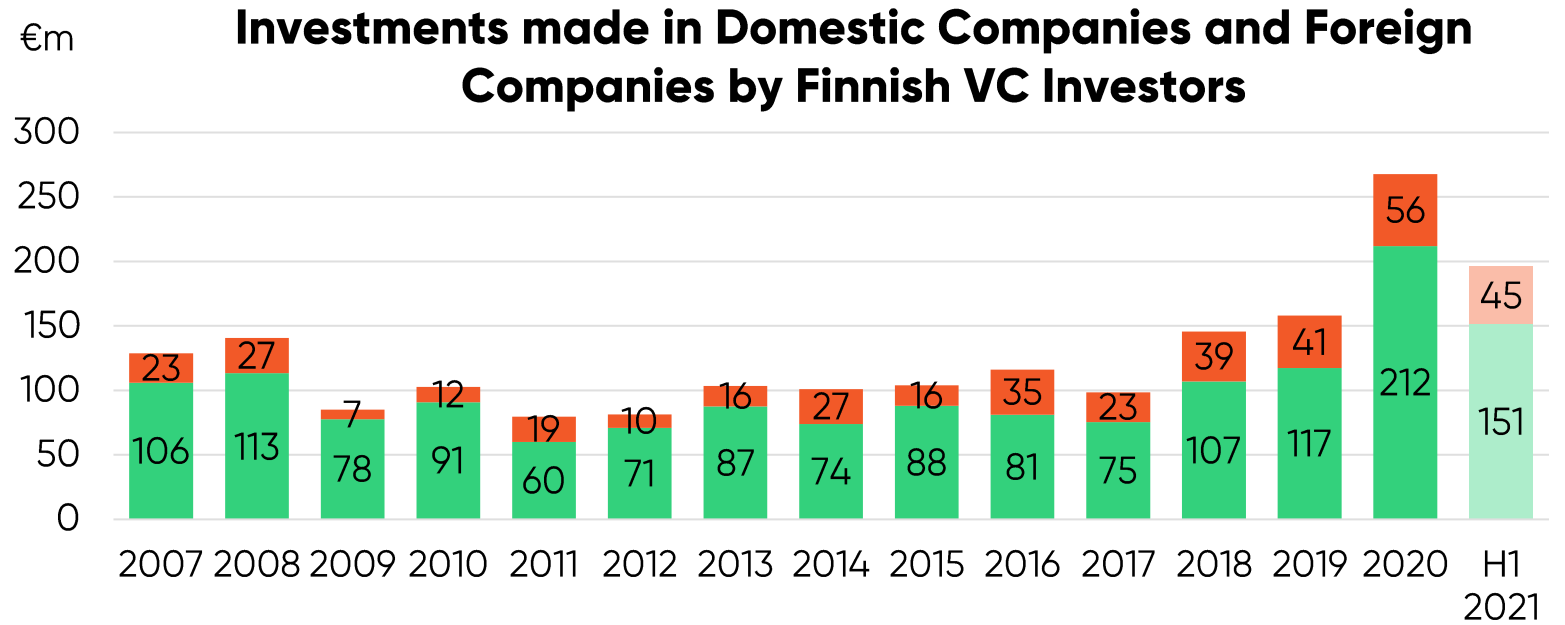
€45m

Finnish VC investors' investments in foreign startup companies reached a new high in H1/2021.

41 foreign companies

received an investment from Finnish VC investor.

The demand for Finnish venture capital has risen to a new level.



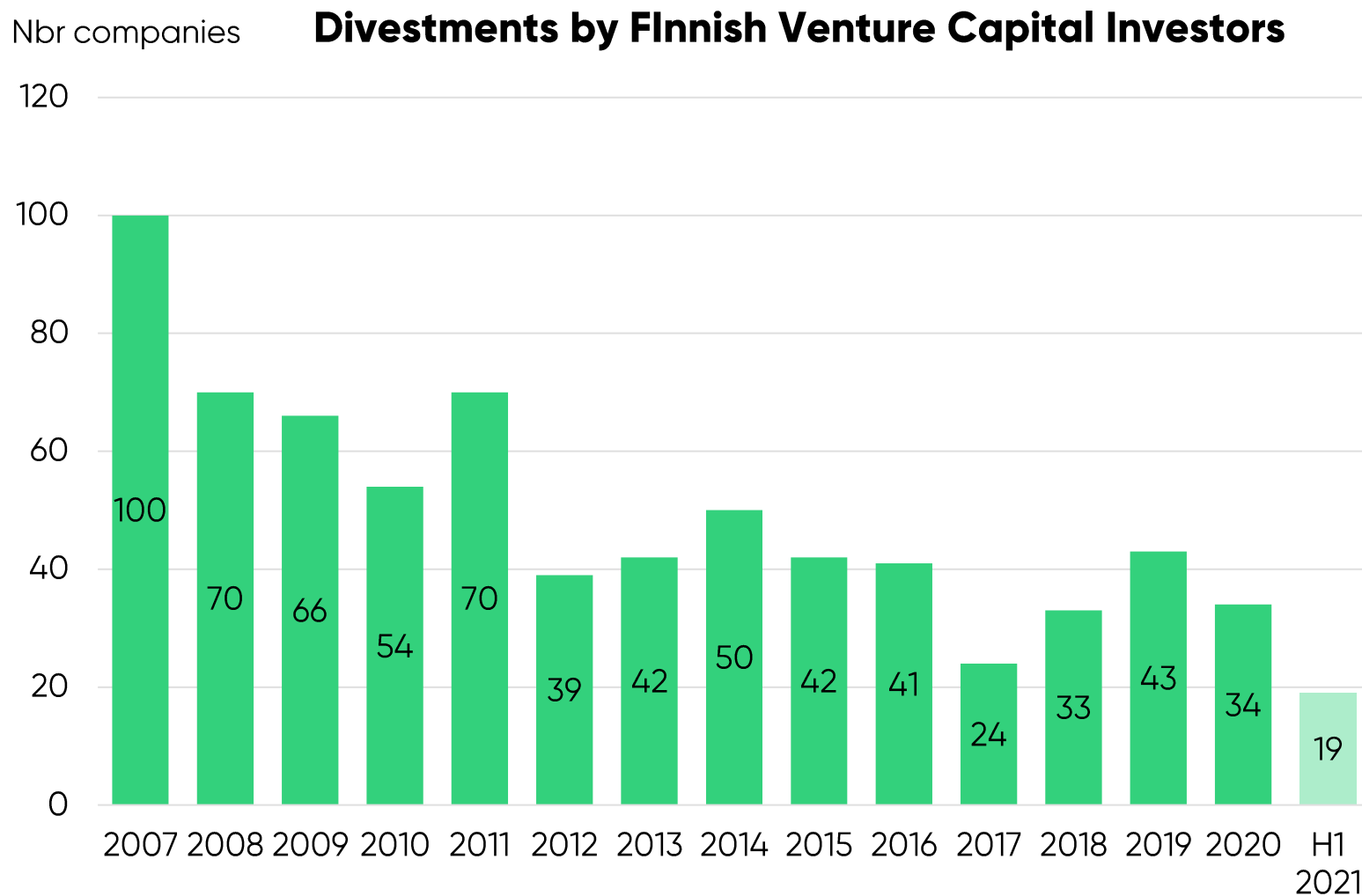
Divestments

Divestments by Finnish VC Investors

19 companies

exited between
January-June 2021.

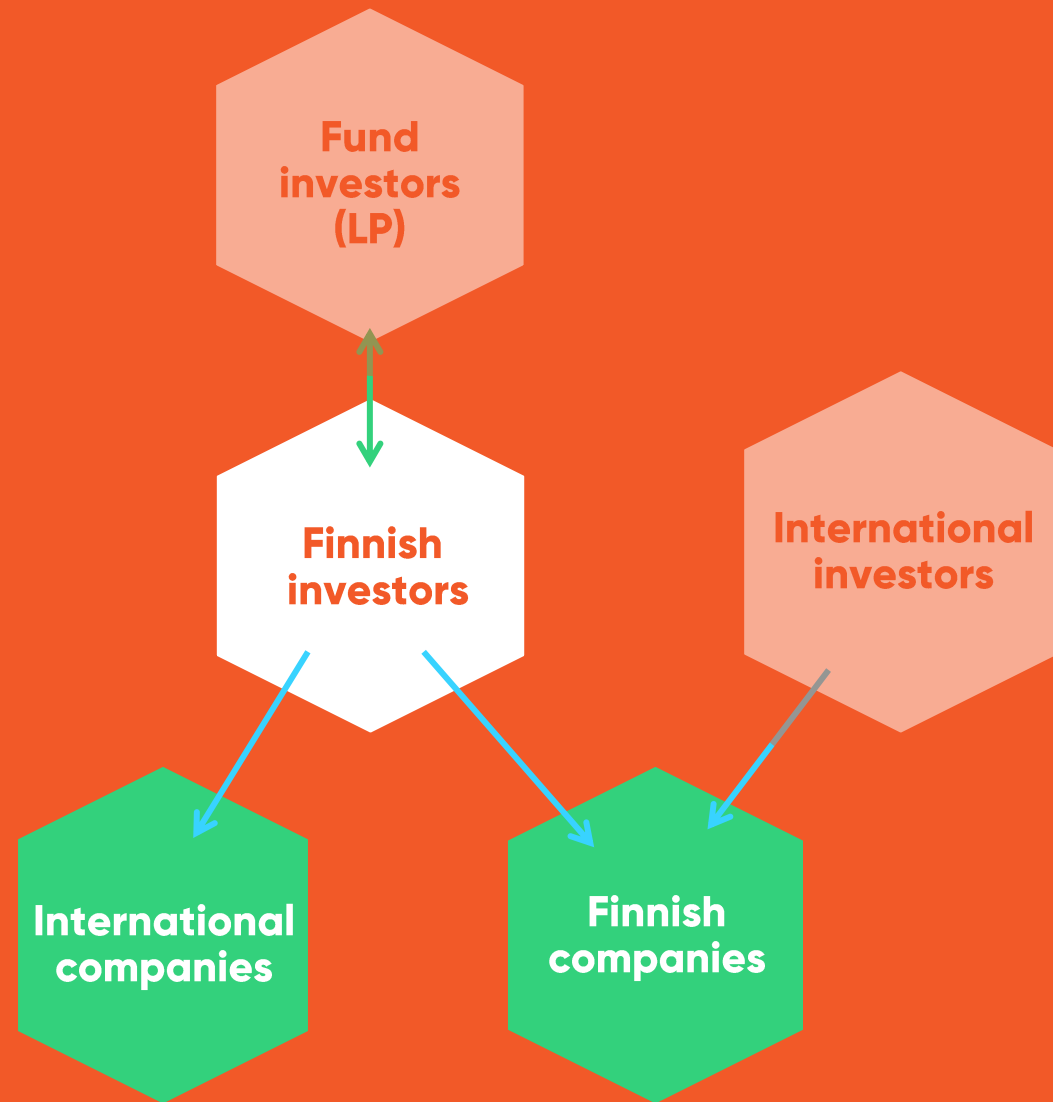
The development of VC portfolio companies has positive indications for future exits.



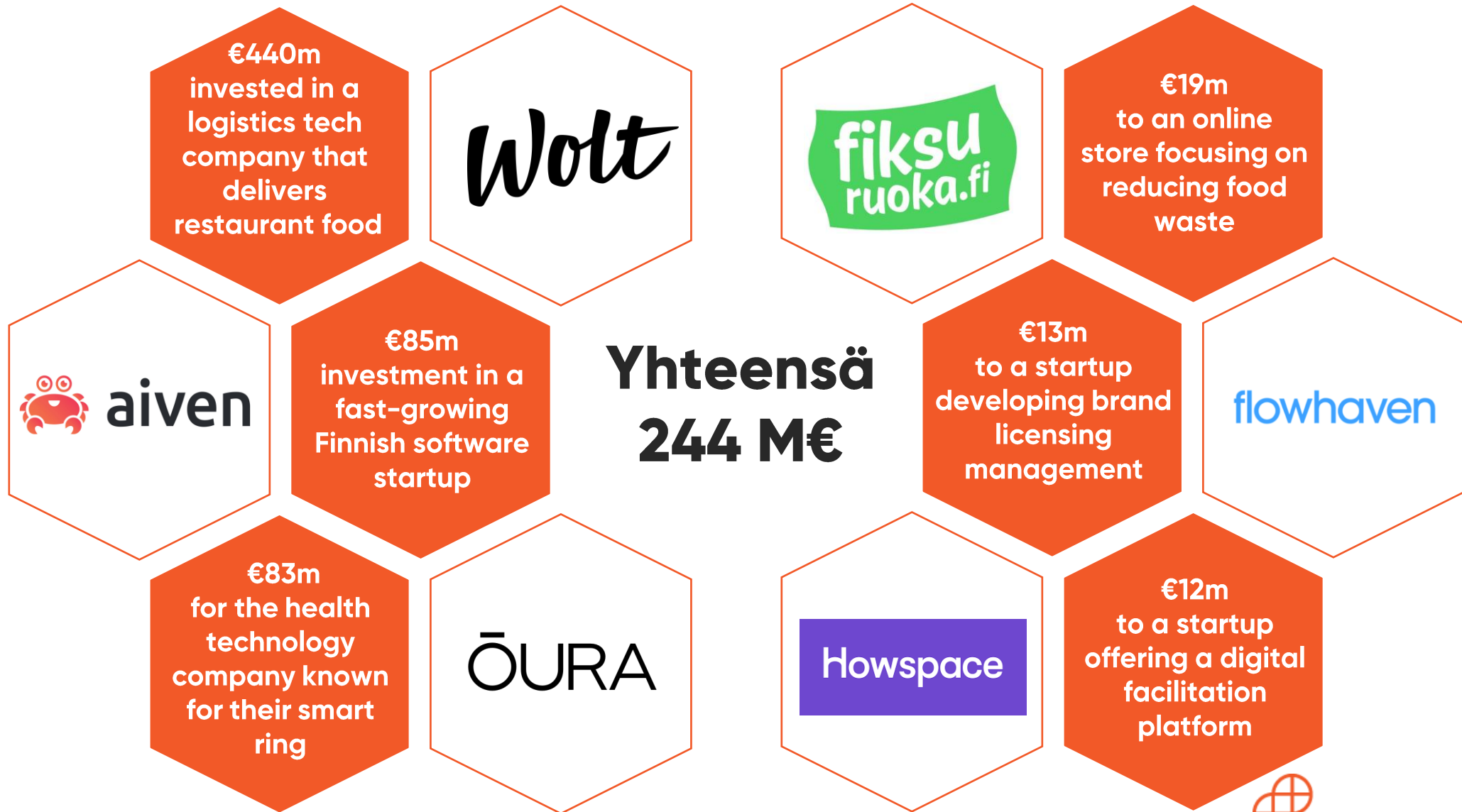
Market Statistics

Finnish and foreign venture capital investors' activity in Finnish companies

Investments



Examples of H1/2021 Startup Investments

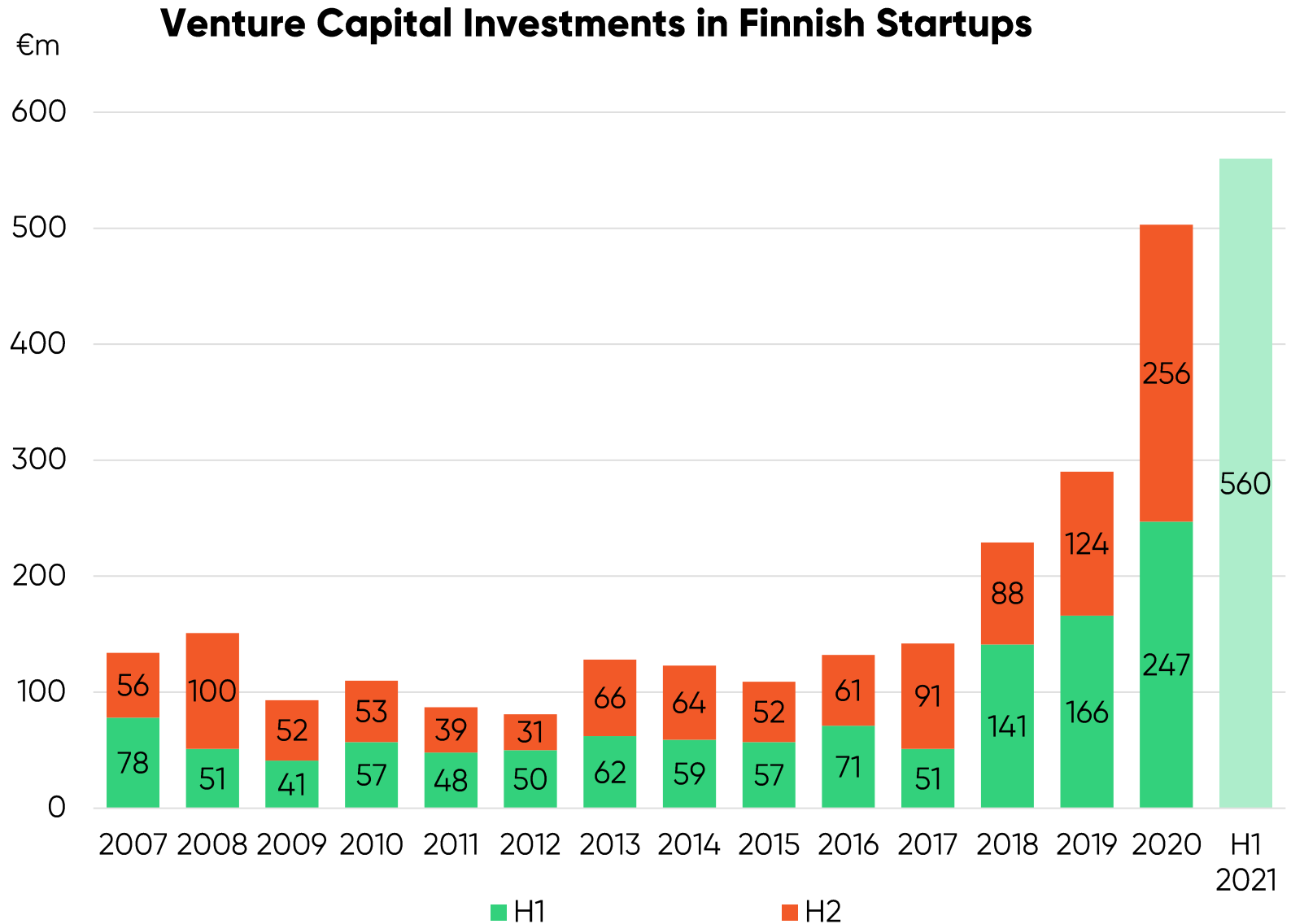


A Record Amount of Funding for Finnish Startups

560 M€

The sum of investments received by Finnish startups rose to the highest level in history in the first half of 2021.

The larger part of the €440m round raised by Wolt in the beginning of the year is from VC investors, and for that part included in the statistics.



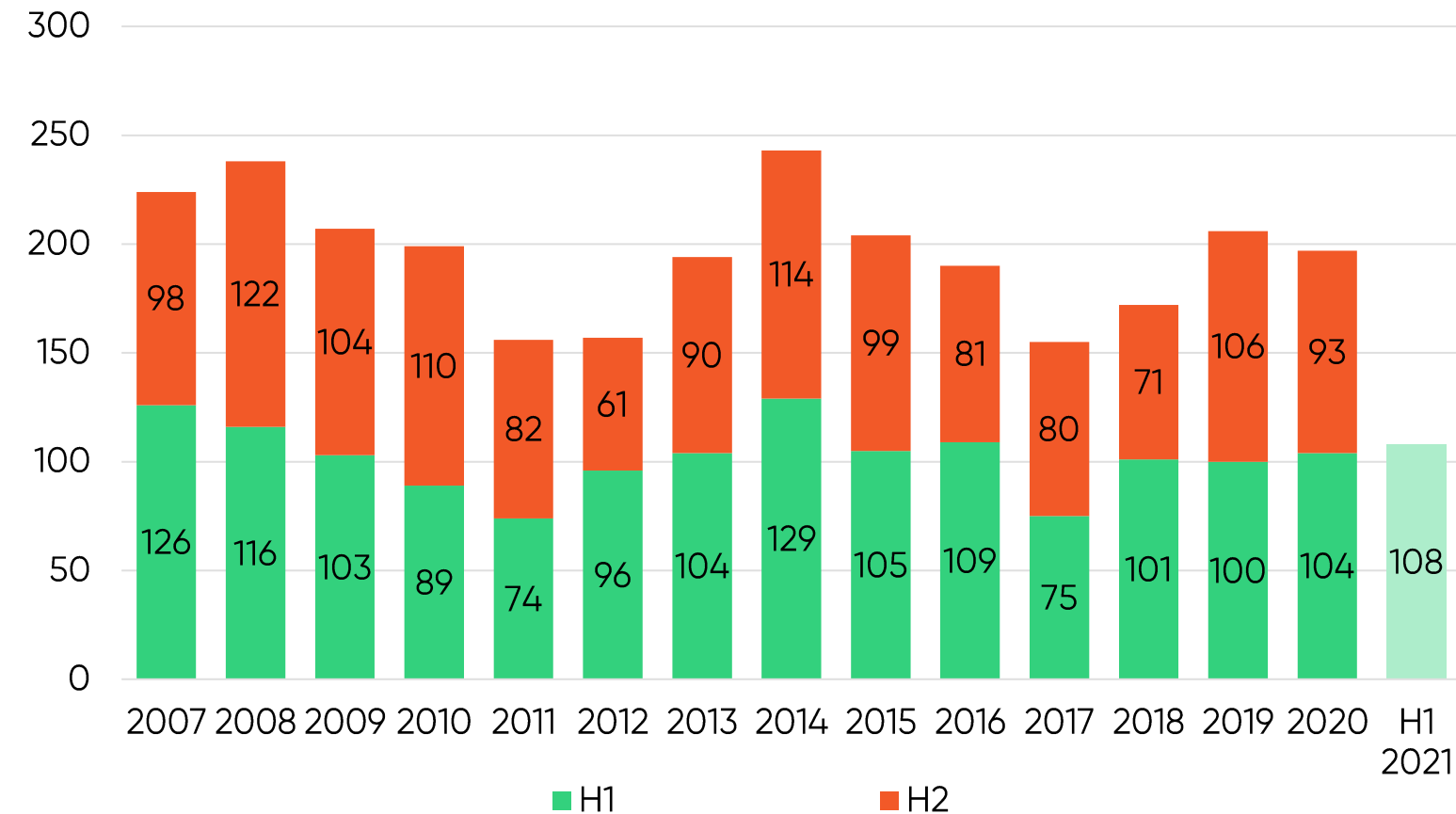
Over 100 Finnish Companies Received Venture Capital Investments between January and June

108 companies

received an investment from domestic or foreign VC investor.

Venture Capital Investments in Finnish Startups

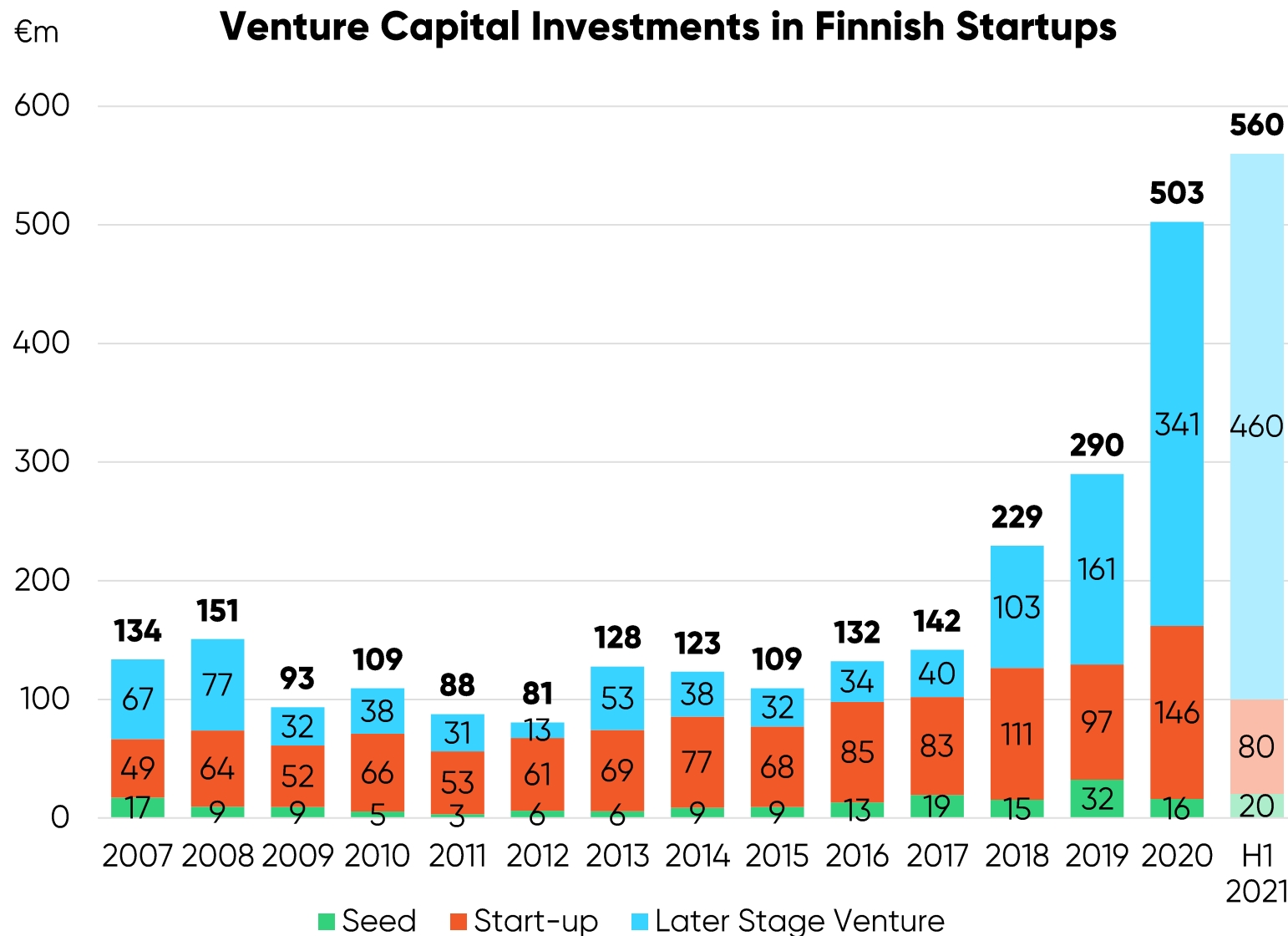
Nbr companies



The Growth of Startups Attracts Bigger Investments

A record-sum was invested in later-stage startups.

A positive development can be seen also in the funding of companies in the seed and startup stages.



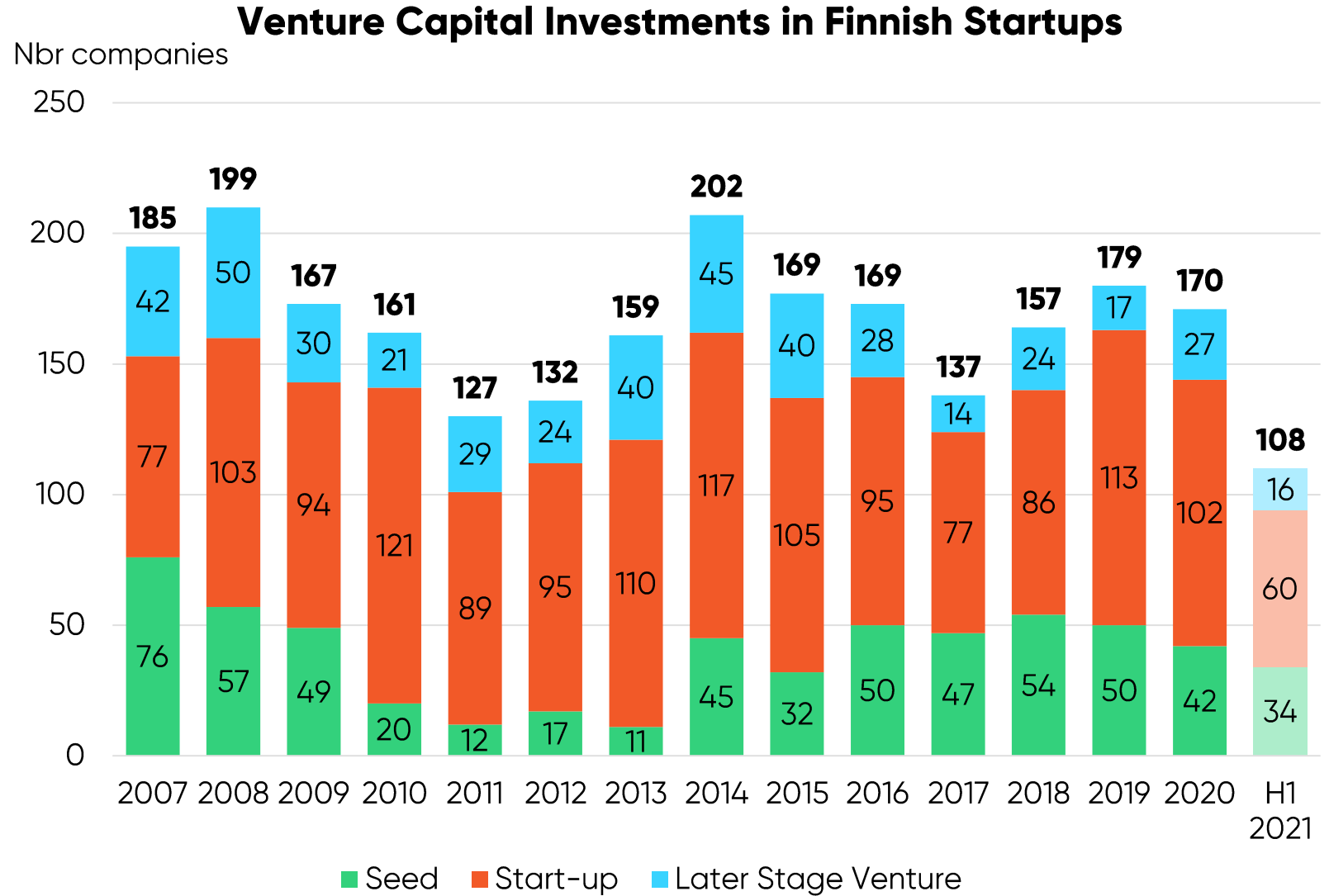
Companies in Different Stages Have Received Investments

108 companies

in Finland received a VC investment in the first half of 2021.

34 companies

Especially the investments in seed stage increased.



Note: The company may have received an investment at different stages during the period, which is why the total amount may be lower than the sum of the parts.

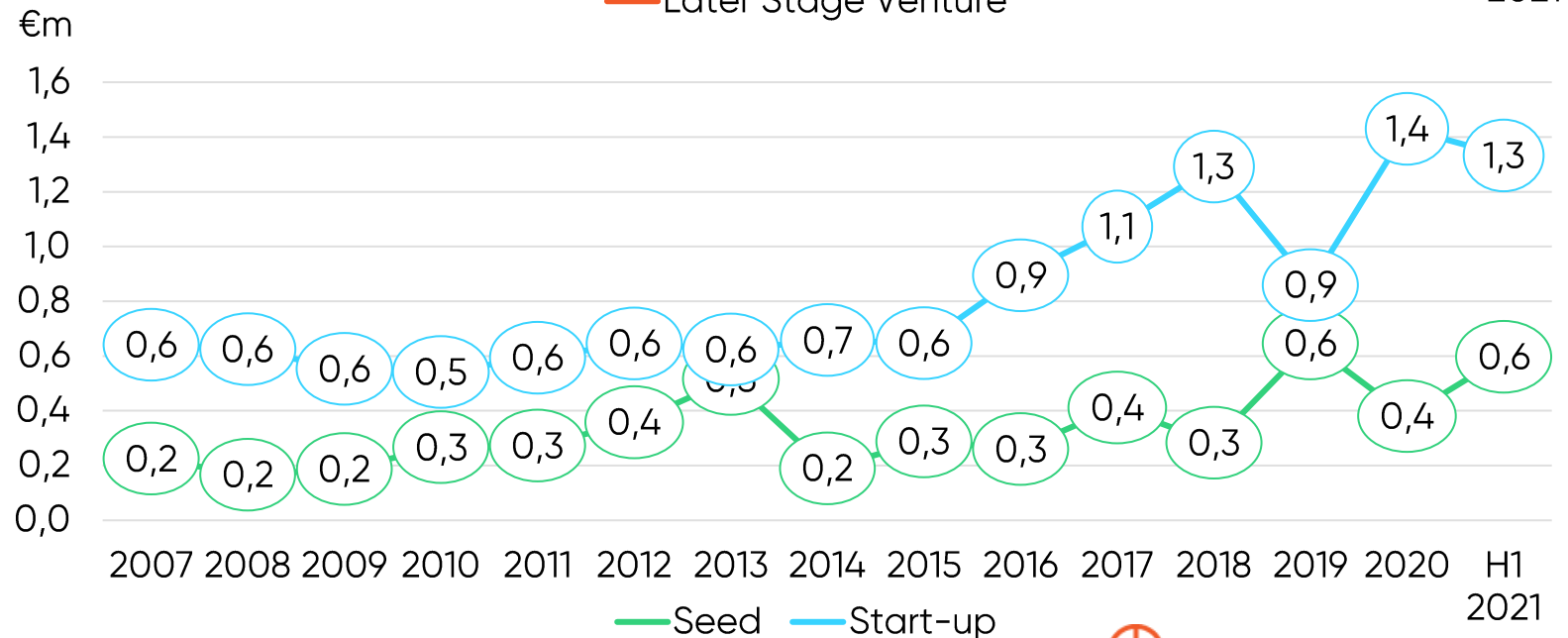
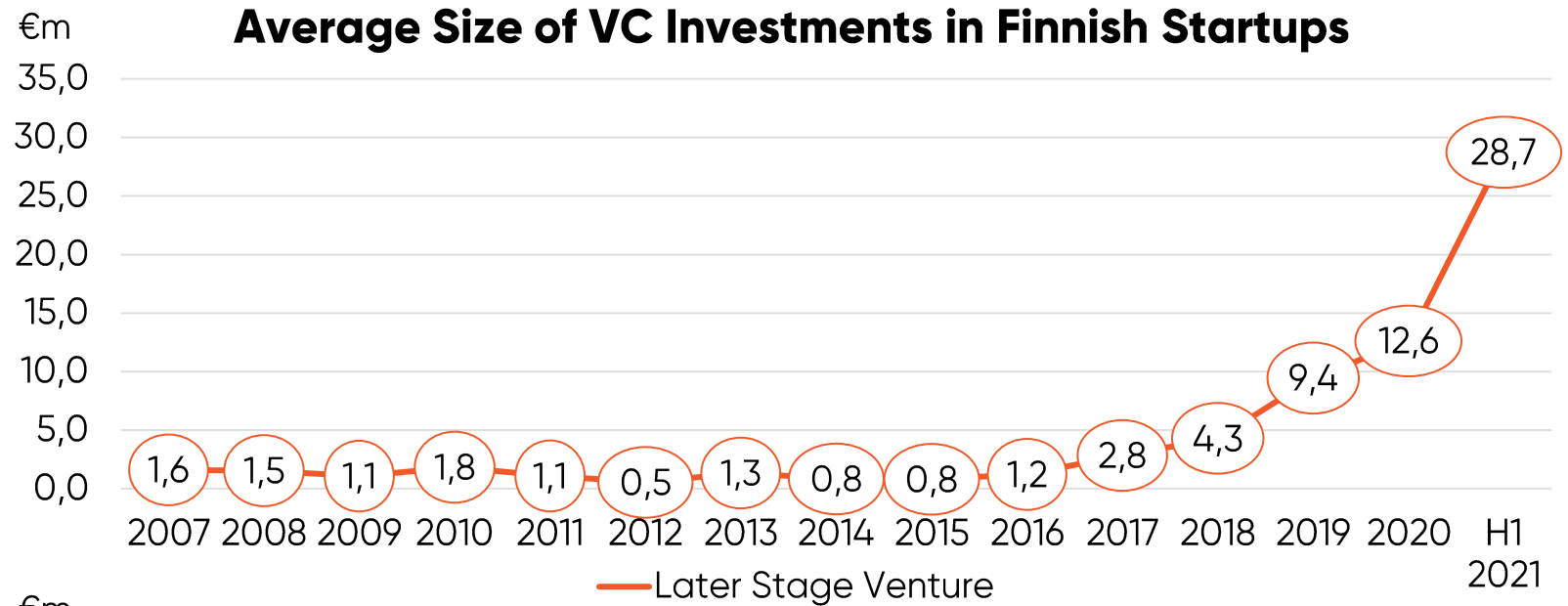
Sources: FVCA, EDC

The Average Size of Investments Continues to Rise

€28,7m

As the top companies have continued to grow, the size of later-stage venture investments has reached a new high.

Especially the record-breaking investment in Wolt increases the average on the later stage.

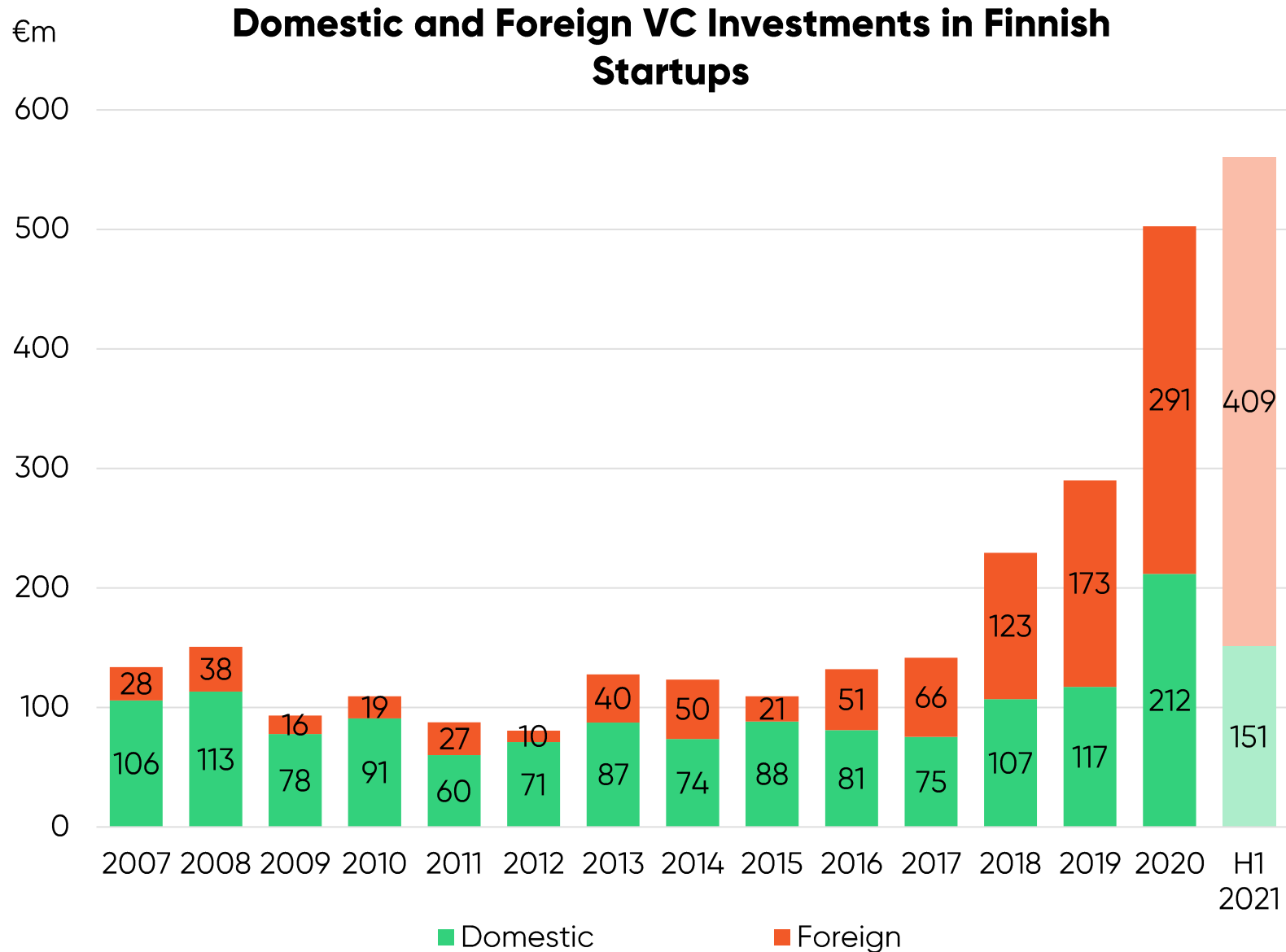


The Interest of Foreign Investors Continues to Grow

€409m

Capital invested in Finnish companies from foreign VC investors in H1/2021.

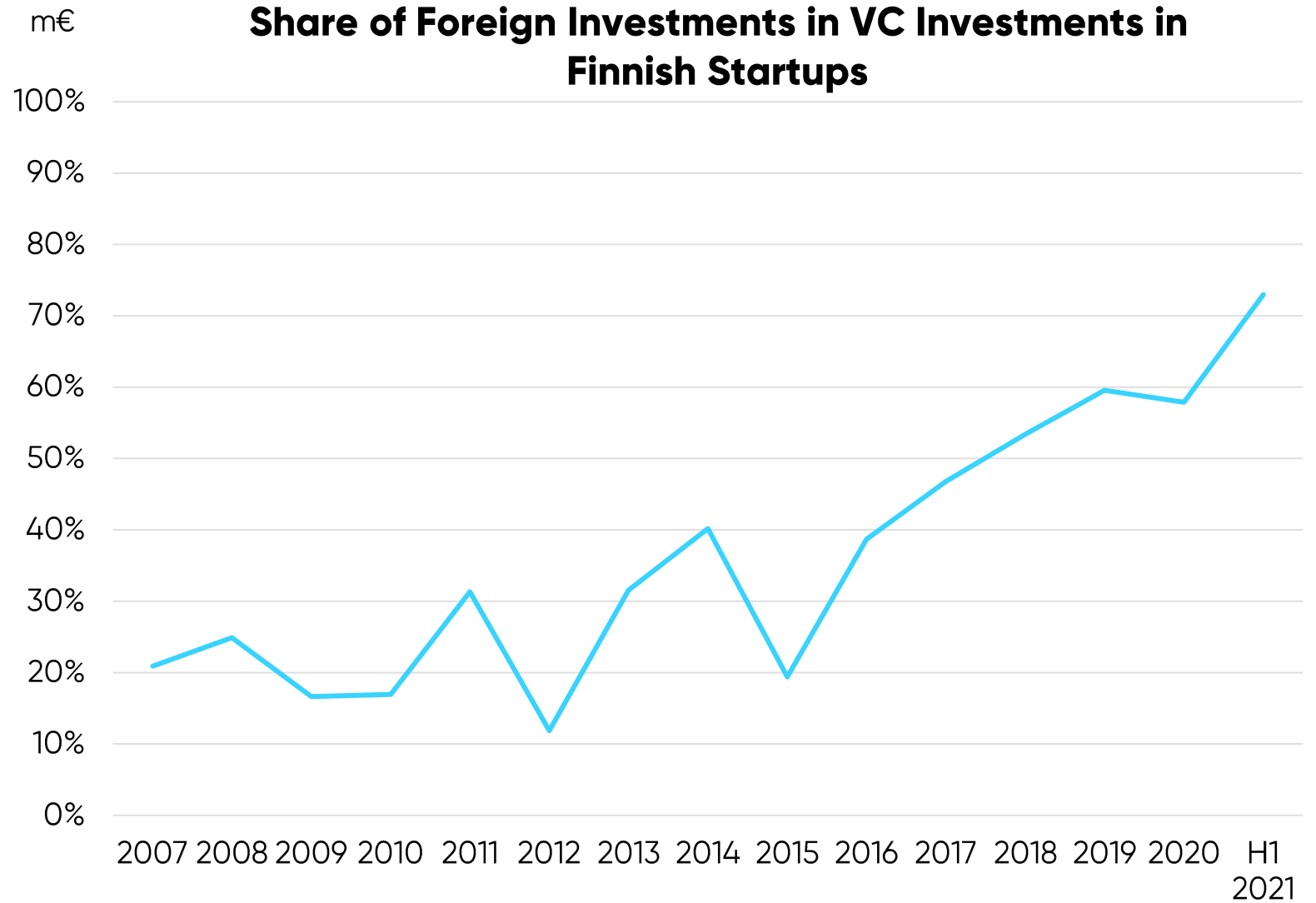
The quality of Finnish startups is attracting ever larger foreign investments.



The Share of Foreign Investors has Increased

73%
of VC investments from foreign investors in H1/2021.

In bigger rounds most of the funding comes from foreign VC investors, as their funds are usually bigger.



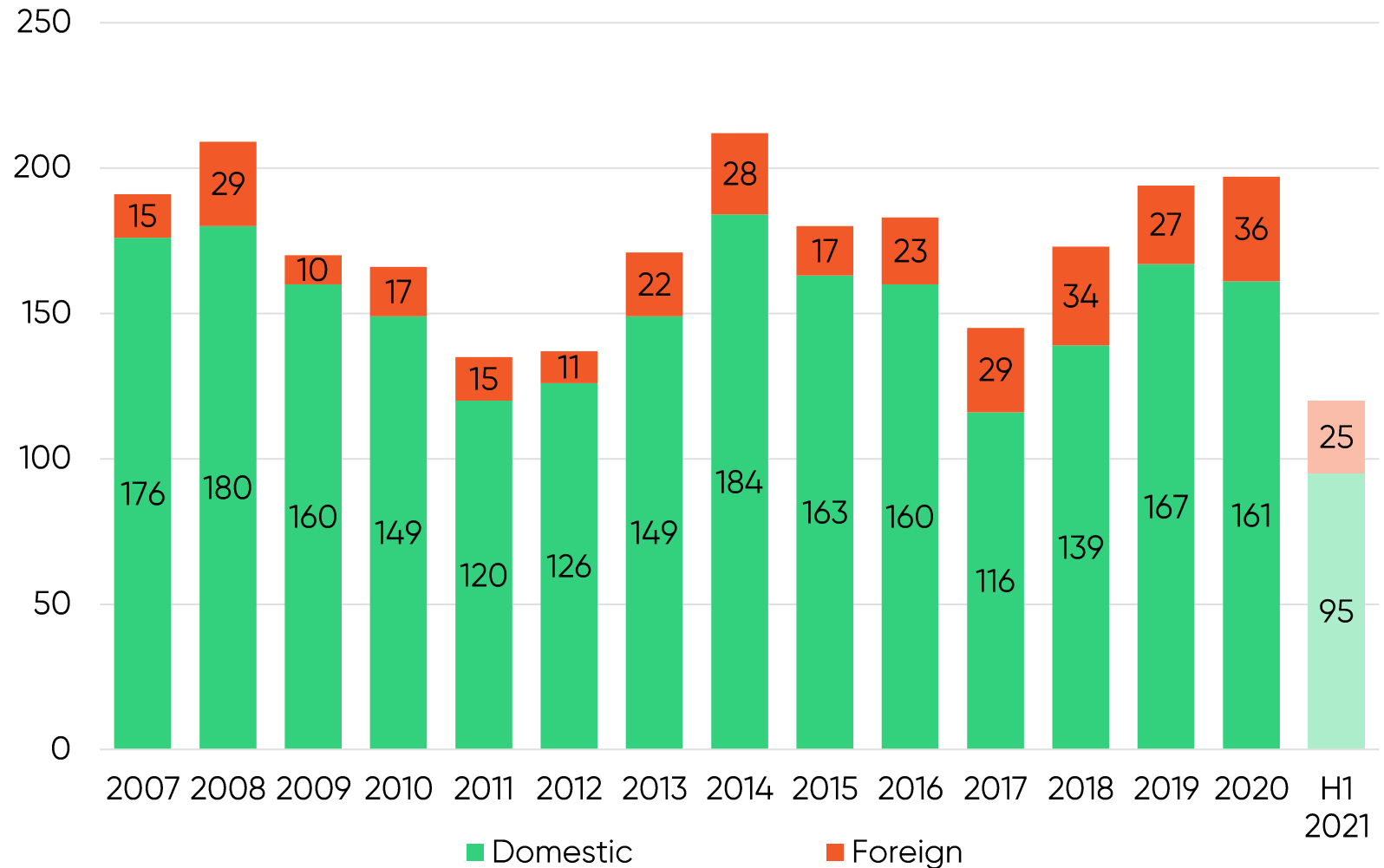
The Number of Companies Attracting Foreign Funding is Growing

25

Finnish companies received an investment from a foreign VC investor in H1/2021.

The number of companies receiving VC investments is higher than ever in a time period of six months.

Nbr companies **Domestic and Foreign VC Investments in Finnish Startups**



ICT Attracts Investments

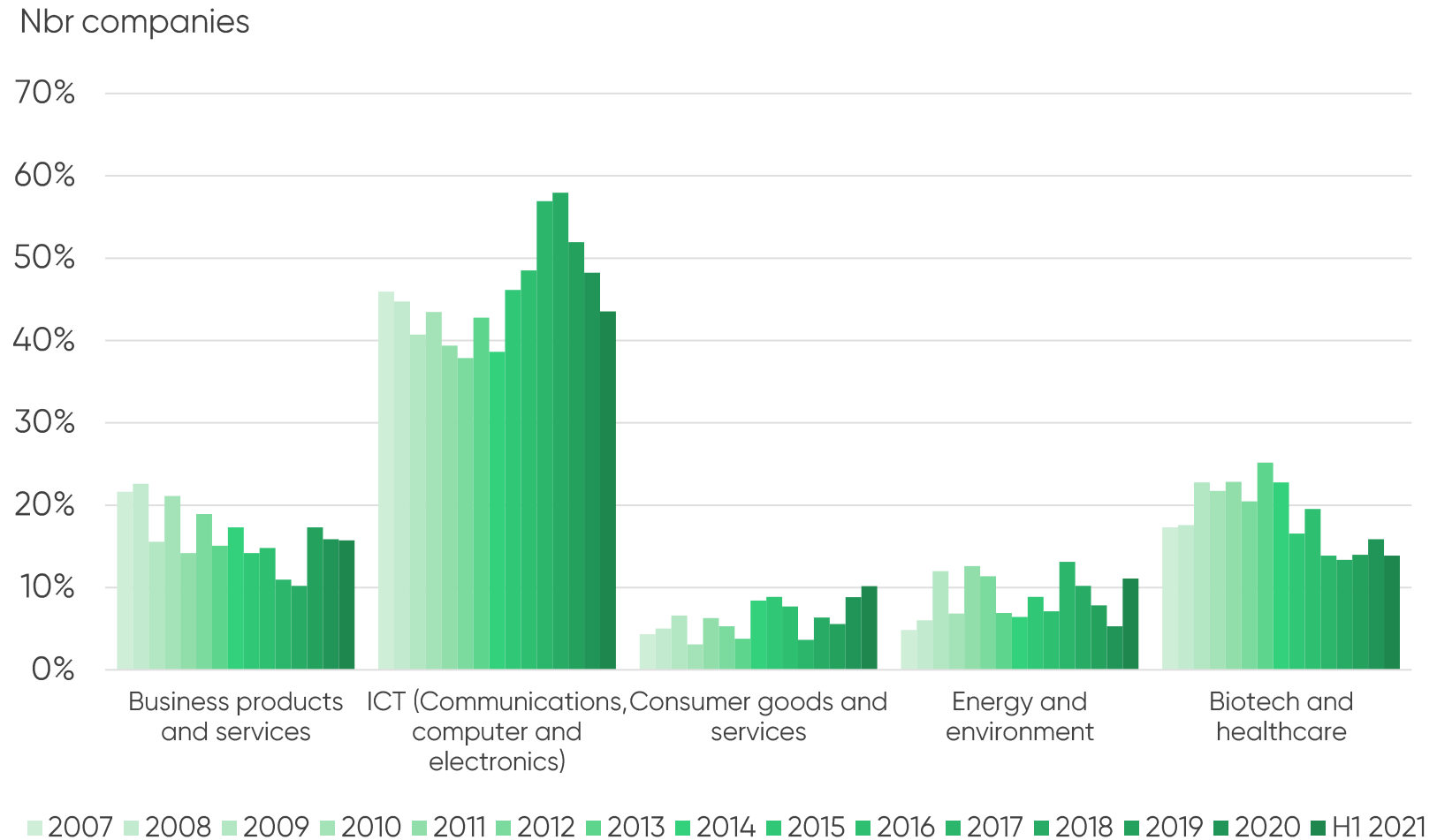
Over 40 %

of the VC investments made in H1/2021 were directed at ICT companies.

The ICT sector includes e.g. software, applications, communications and computer technology and electronics.

The companies in energy and environment sector raised a record-breaking €12m in a period of six months.

VC Investments in Finnish Startups by Industry



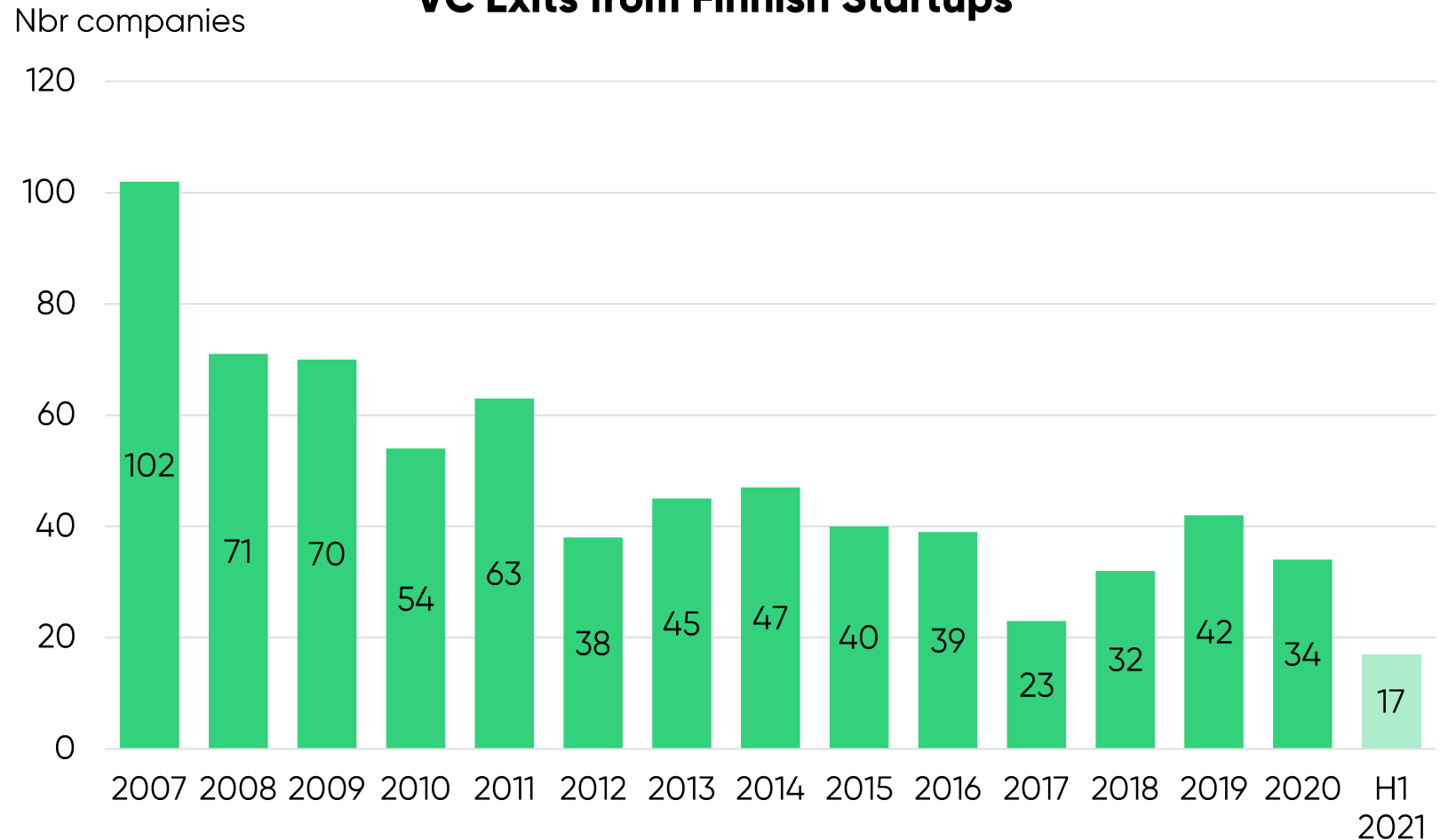
Divestments

Divestment Activity Remains at a Stable Level

17 companies

exited by VC investors between January-June 2021.

VC Exits from Finnish Startups



Sources: FVCA, EDC

Methodology



The Following National Private Equity Associations Take Part in the EDC Database

AIFI, Italy
ASCRI, Spain
BVA, Belgium
BVCA, United Kingdom
BVK, Germany
CVCA, Czech Republic
DVCA, Denmark
France Invest, France
FVCA, Finland
LPEA, Luxembourg
NVCA, Norway
NVP, Netherlands
PSIK, Poland
SECA, Switzerland
SEEPEA, Romania and Bulgaria
SVCA, Sweden
Invest Europe, Europe

The statistics describing the Finnish private equity industry are based on information received from European Data Cooperative (EDC) private equity database

- A fully functional, centralised non-commercial pan-European private equity database
- With its own staff, internal resources and webportal
- Information is collected via an online survey and complemented with public sources of information
- Figures are updated continuously and are therefore subject to change

Note: The statistics include only PE firms' (including evergreens and captives) investments. Syndicate and direct investments made by several other investors, e.g. LP co-investors, individuals, entrepreneurs, business angels, management, corporates, funds-of-funds, other asset managers and/or financial institutions, are not included in FVCA's statistics. However, they may form a notable part of the venture market especially. Additionally, growth investments' classification to buyout investments affects the venture statistics.

Methodology

Investment and divestment statistics are aggregated via two methods
– industry statistics and market statistics

Industry statistics

- By country of private equity firm's office
- Here: Domestic and foreign investments/divestments made by the Finnish offices of private equity firms

Market statistics

- By the location of the portfolio company
- Here: Investments/divestments in/from Finnish portfolio companies made by domestic and foreign private equity firms

Note: The aggregated figures may not always sum up to totals due to rounding. Some graphs exclude variables labelled as 'unspecified'.

For more information about the methodology, please contact the Finnish Venture Capital Association (FVCA).

Stage Definitions

VENTURE	Seed	Seed
Investments in companies in their early development stage	Start-up	Start-up, Other early stage
	Later stage venture	Early growth, Transition stage
BUYOUT	Growth	Later growth
A transaction financed by a mix of debt and equity, in which a business, a business unit or a company is acquired	Rescue/Turnaround	Rescue/Turnaround
	Replacement capital	Secondary purchase/Replacement capital, Refinancing bank debt
	Buyout	Management buyout (MBO), Management buy-in (MBI), Public to private, Other PIPE, Other leverage buyout