

Press Conference 21.4.

Venture capital market progress and startup
funding in 2021



Pääomasijoittajat

Finnish Venture Capital Association

1. Startup funding hit new records

€1.2 billion Invested in Finnish Startups

€355m

share of foreign investors is 71 % of the total amount invested in 2021

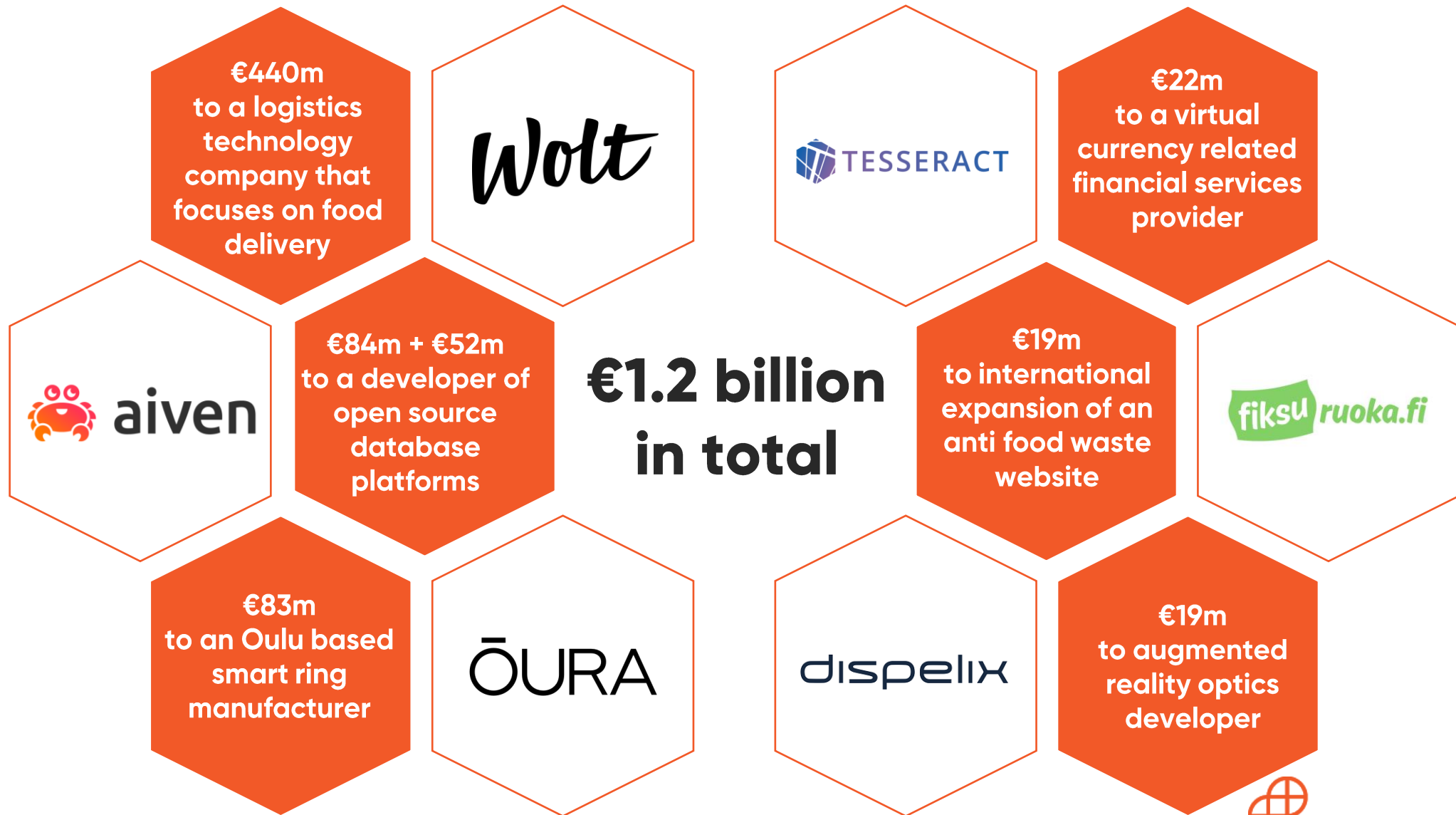
€743m

the biggest investor group was domestic and foreign venture capital investors, the number of investments by foreign VCs doubled in a year















Sources: : FVCA, EDC, FiBAN, Repomedia, Finnvera, HBH Investor Services, Vigos

Highlights of the 2021 startup investments



Largest Investments in Finnish Startups

1.	 RELEX	€500m*	2022	6.	 Wolt	€110m	2019
2.	 Wolt	€440m	2021	7.	Swappie	€108m	2022
3.	 hmd.	€195m	2020	6.	 Wolt	€100m	2020
4.	 RELEX	€175m*	2019	9.	 SUPERCALL	€98m	2013
5.	 ICEYE	€120m	2022	10.	 MariaDB	€92m	2022
				11.	 hmd.	€86m	2018
				12.	 aiven	€84m	2021
				13.	ŌURA	€83m	2021
				14.	 ICEYE	€74m	2020
				15.	M-Files	€67m*	2021

We currently have ten unicorns in Finland



Might these be the next ones?

MySQL

SMALL
GIANT

Wolt

aiven

SUP
ERC
ELL

C-R-F
HEALTH
A CRF BRACKET COMPANY

hmd.

RELEX

ROVIO

ŌURA

TM
SUPERMETRICS

IQM

✓^Γ┘□



Enfuce



SMARTLY.IO

ICEYE

Swappie

metacore

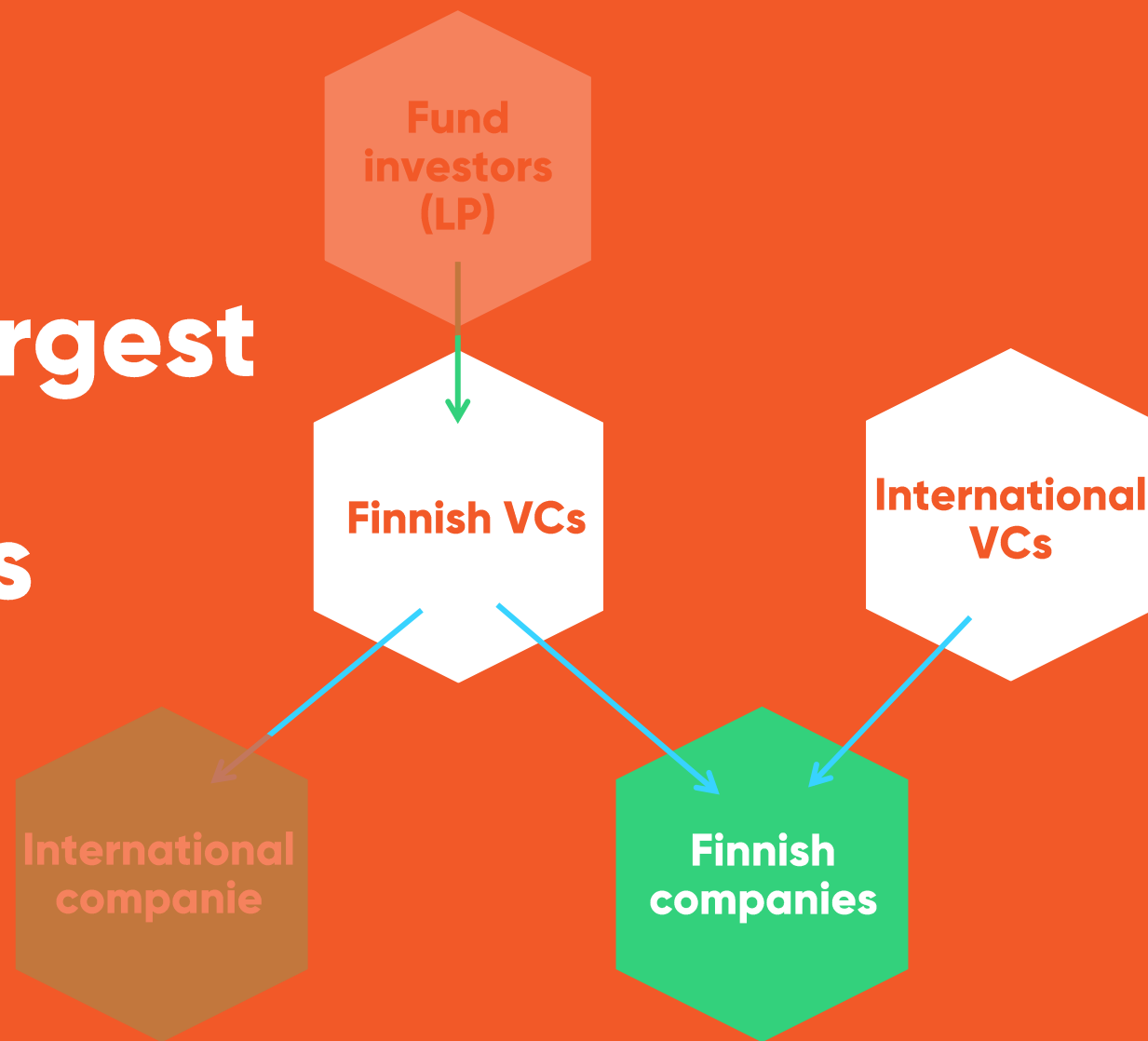
SPINNOVA®

M-Files®

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2. Private equity investors are the largest investor group in startup investments

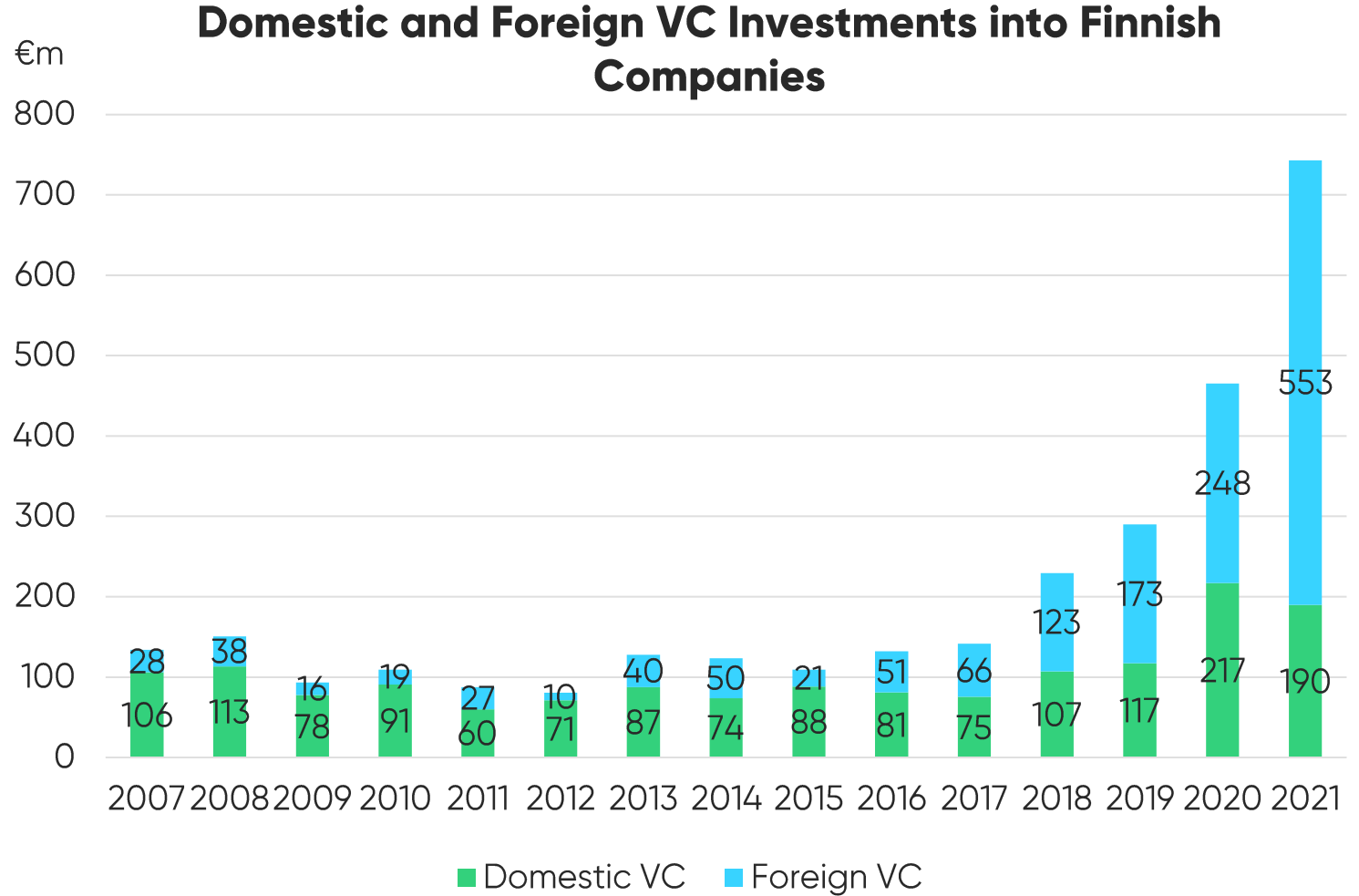
Domestic and foreign venture capital investments to Finnish companies



VC Investments in Finnish Companies Increased by More Than €200m

€743m (+60 %)
total amount of VC investments
in Finnish start-ups

€553m (+123 %)
the number of foreign VC
investments doubled in a year

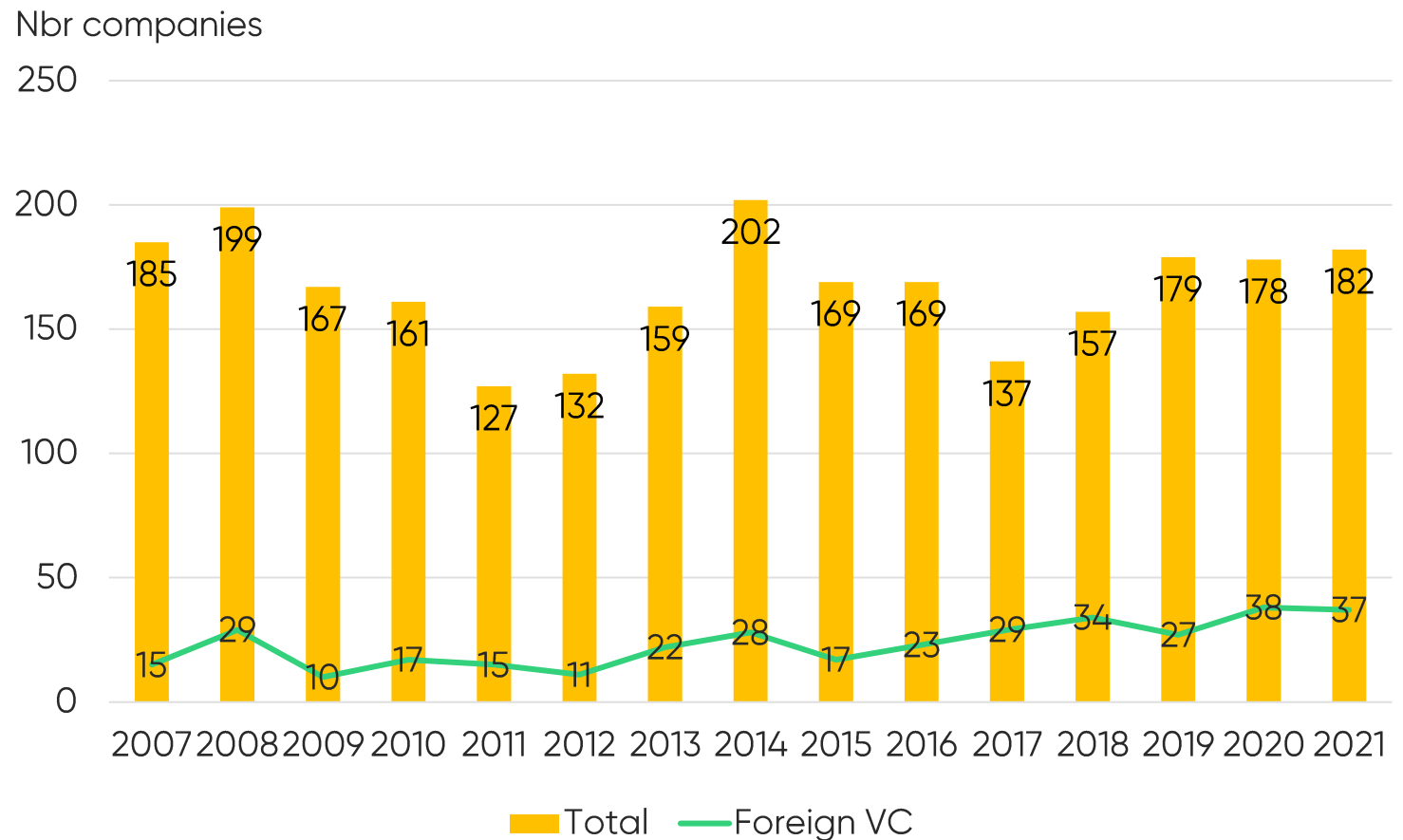


Foreign Venture Capital Investments to Finland on the Rise

182 startups
in Finland received VC
investments

37 startups
recieved international VC
investments

VC Investments into Finnish Companies



Over 270M€ increase in venture capital investments into Finnish companies

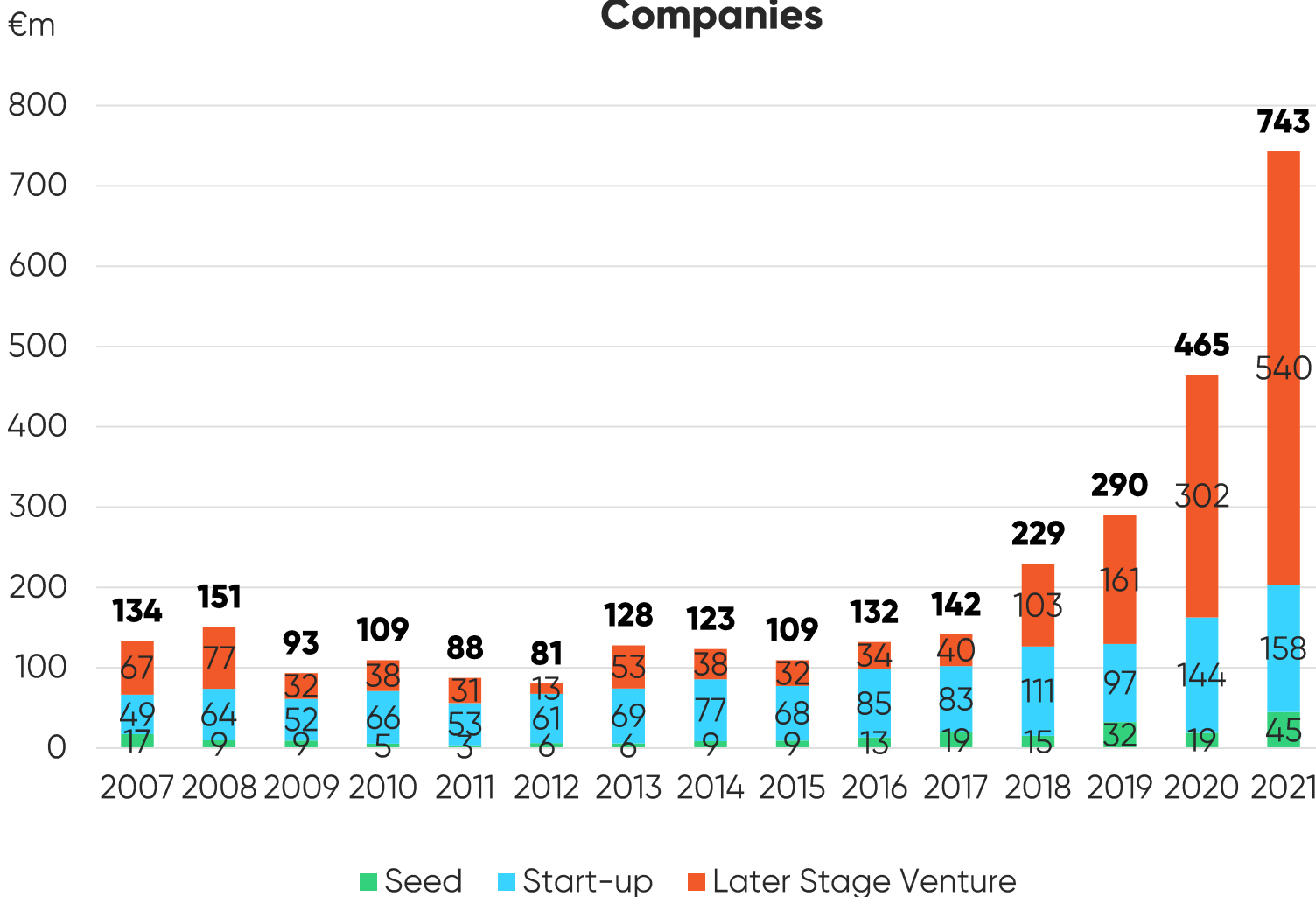
540M€ (+79 %)

the amount invested in later stage increased by 79 % from the previous year (302M€)

45 M€ (+137 %)

seed stage investments grew the most percentually

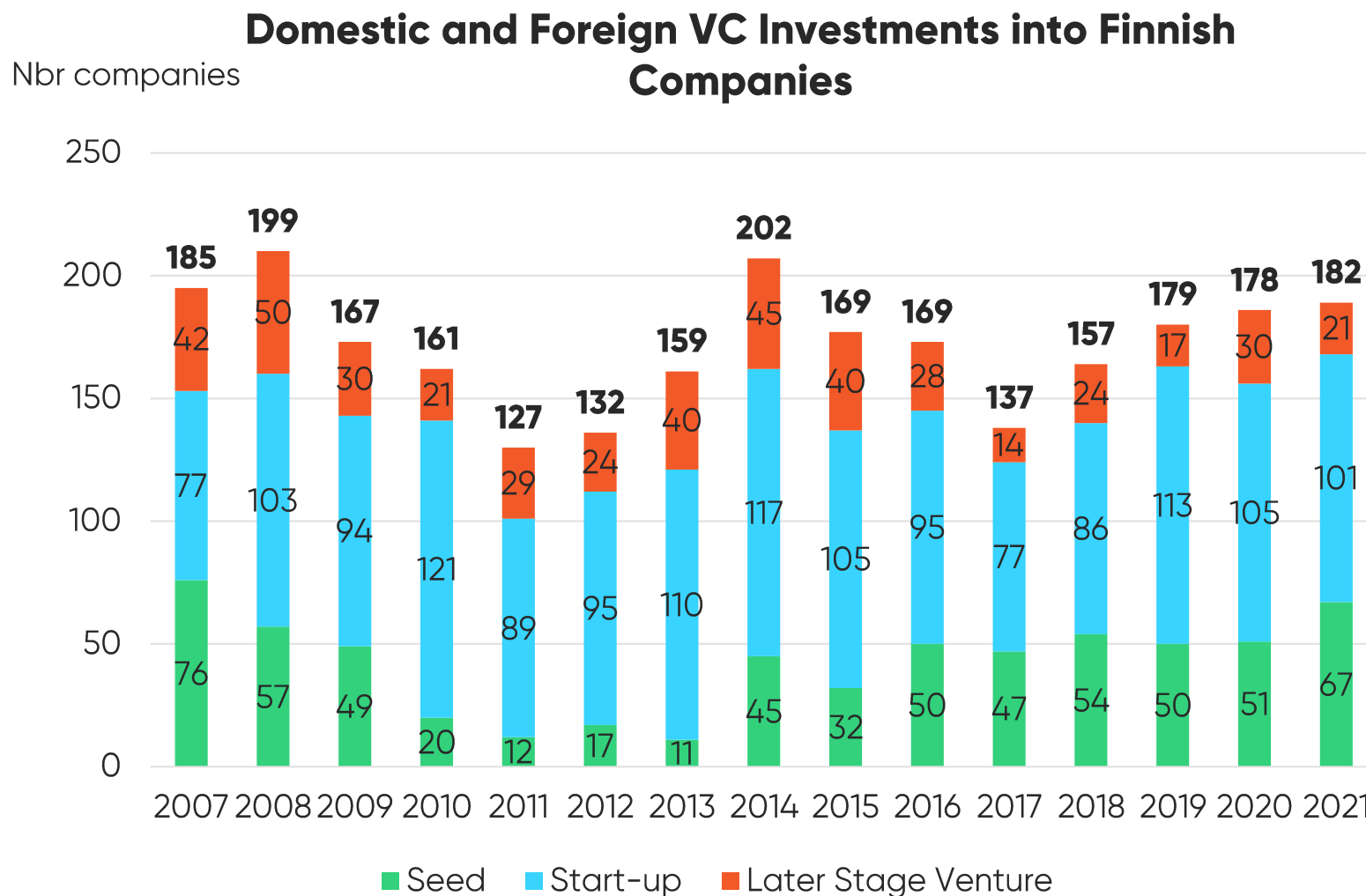
Domestic and Foreign VC Investments into Finnish Companies



The Number of Companies That Received Investments Remained at a High Level

182 companies(+2 %)
the number of Finnish startups that received VC investments in 2021

67 seed stage companies
(+31%)
rise in number of companies that received seed stage funding



N.b. A company may have received more than one investment during the same year (e.g. both in the seed and startup stages). However, each company is taken into account only once in the total number of investments.

The Average Size of Investments Has Increased

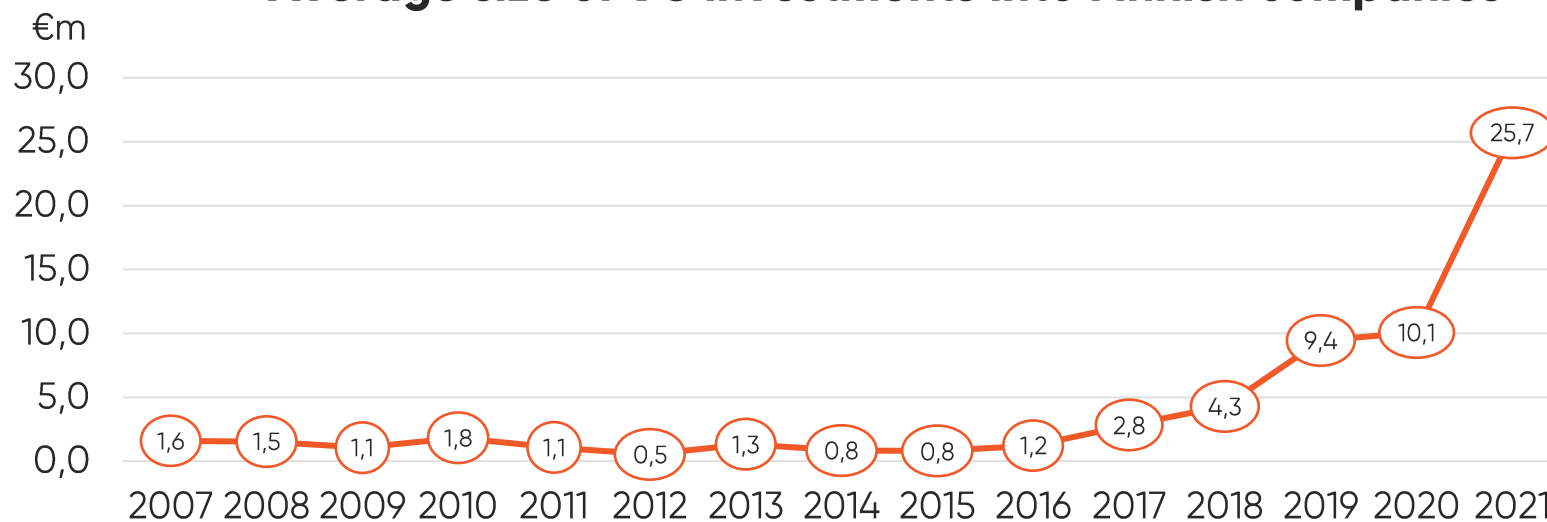
€4.1m (+56 %)

taking into account all investment stages, the average size of VC investments into Finnish companies increased 56 % from 2020

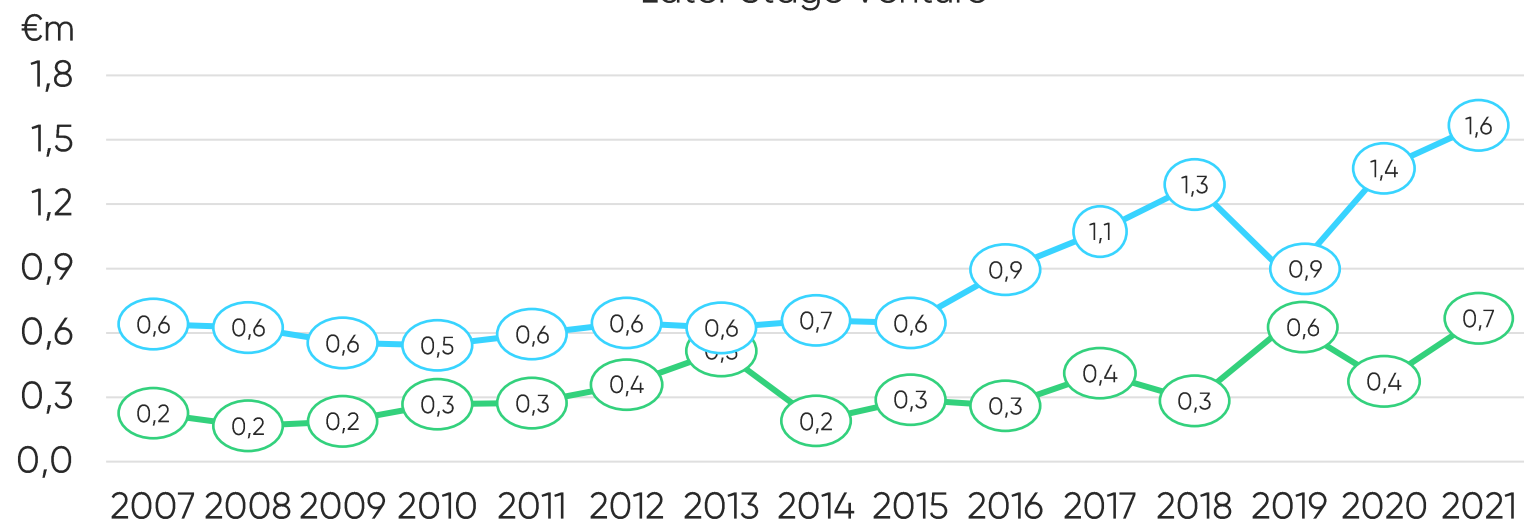
€25.7m (+154 %)

the average size of later-stage investments has risen as several Finnish companies have continued their fast growth

Average size of VC investments into Finnish companies



— Later Stage Venture



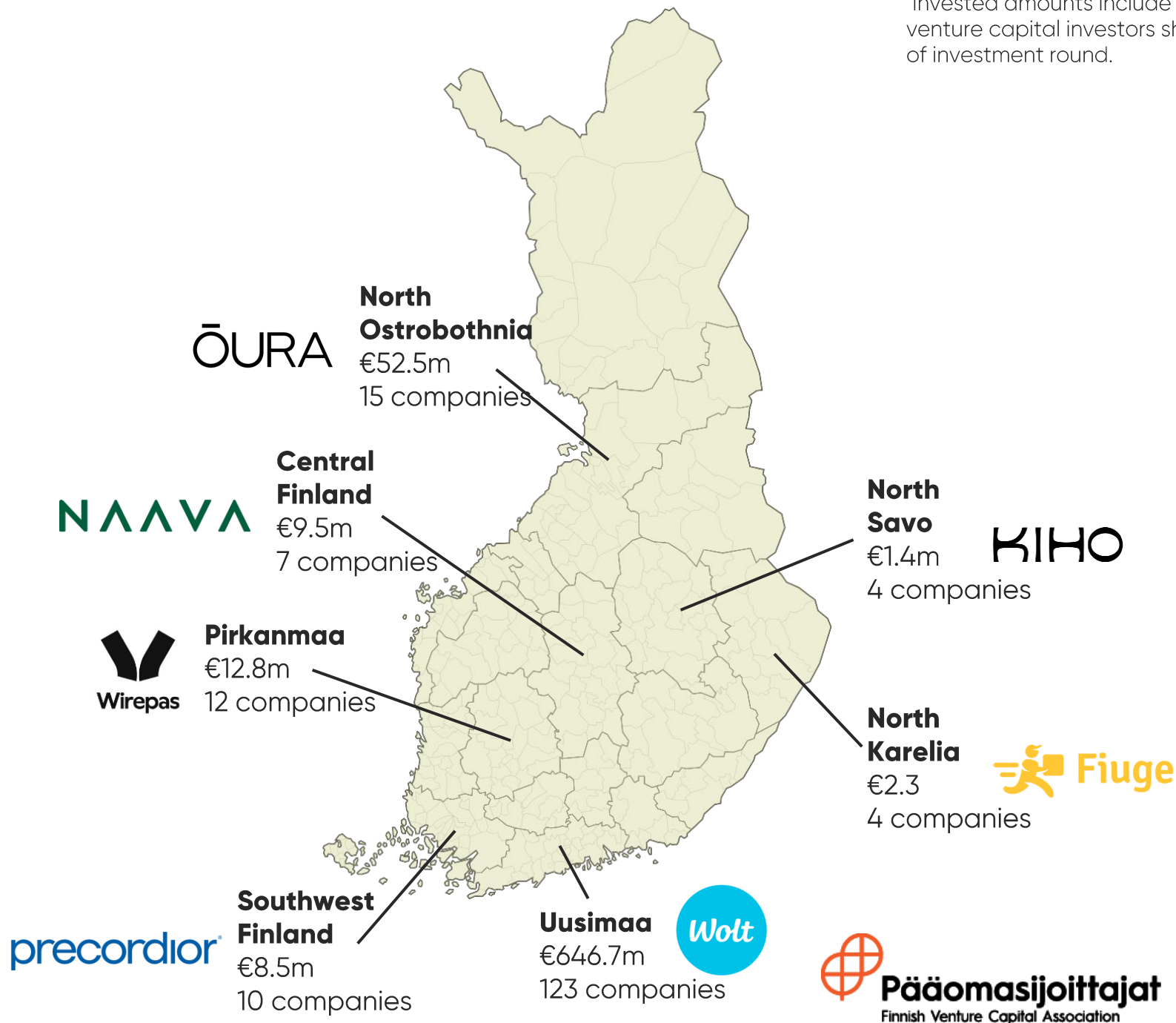
— Seed — Start-up

Companies that received venture capital investments are found all over Finland

€52.5m

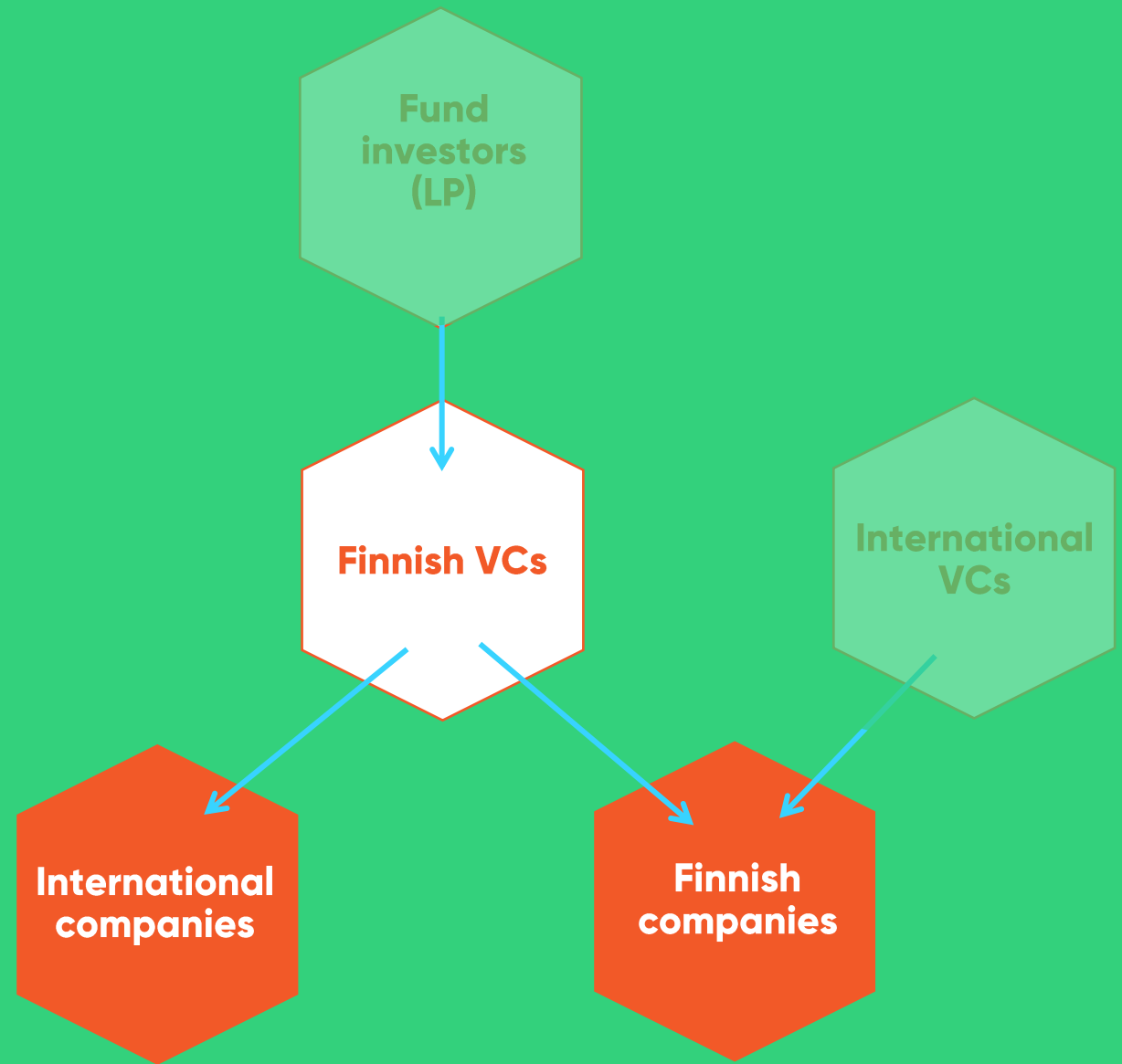
after Uusimaa most of the investments went to North Ostrobothnia

Invested amounts include only venture capital investors share of investment round.



3. Domestic investors reached all time high investmets

Finnish venture capital –investors' investments in domestic and international companies

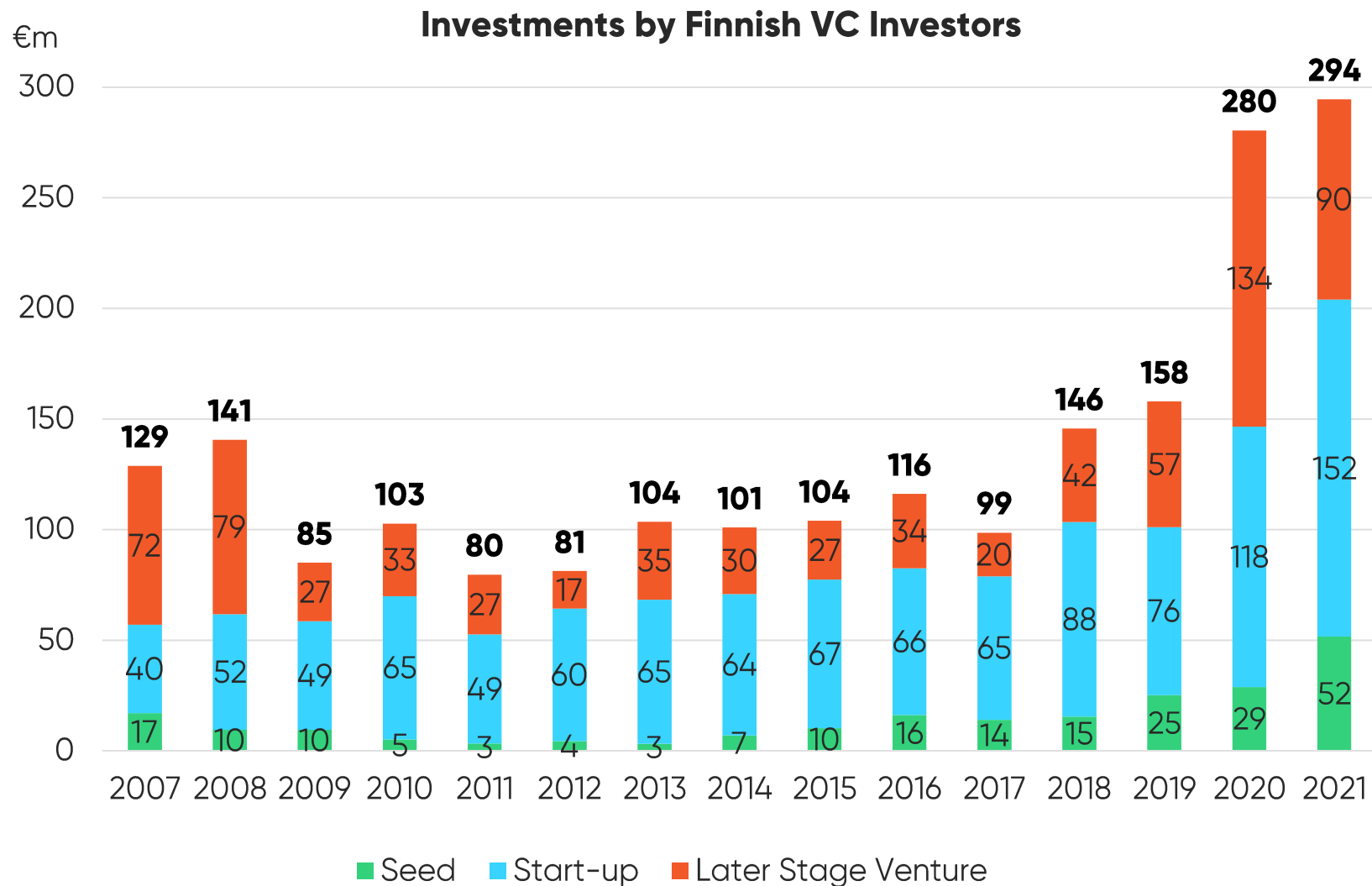


A Record Sum Invested by Finnish VCs

€294m (+5 %)

the total amount invested by
Finnish VCs into domestic and
international companies

most significant increase in
investments in later-stage
venture (+28 %)

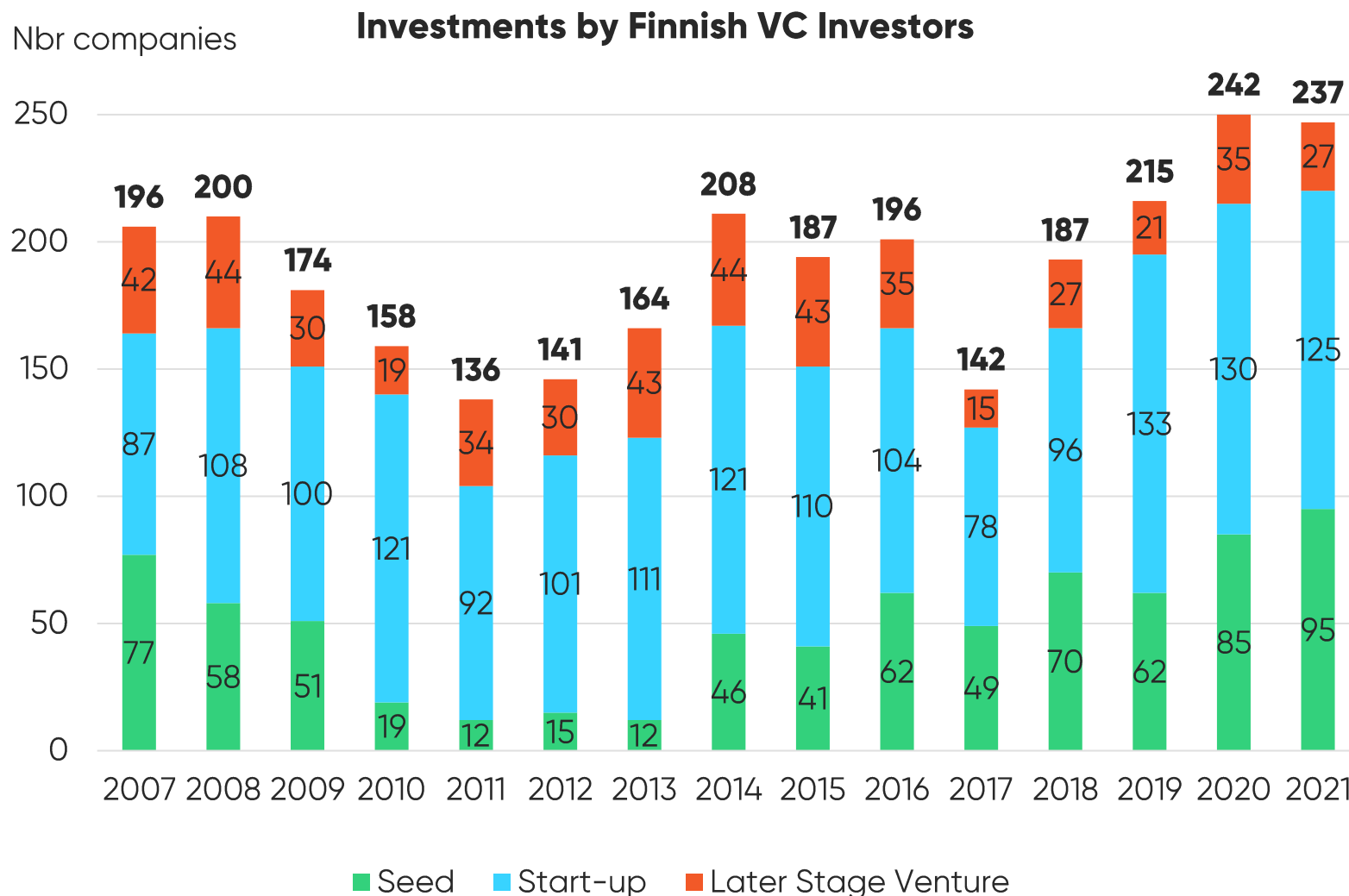


Sources: FVCA, EDC

Strong level of Investments remained after the Record-Breaking Year

237 companies (-2 %)
received investments from
Finnish VCs in 2021

95 companies (+12 %)
record number of companies
received funding in seed stage



N.b. A company may have received more than one investment during the same year (e.g. both in the seed and startup stages). However, each company is taken into account only once in the total number of investments.

Finnish venture capital investments abroad reached a new record

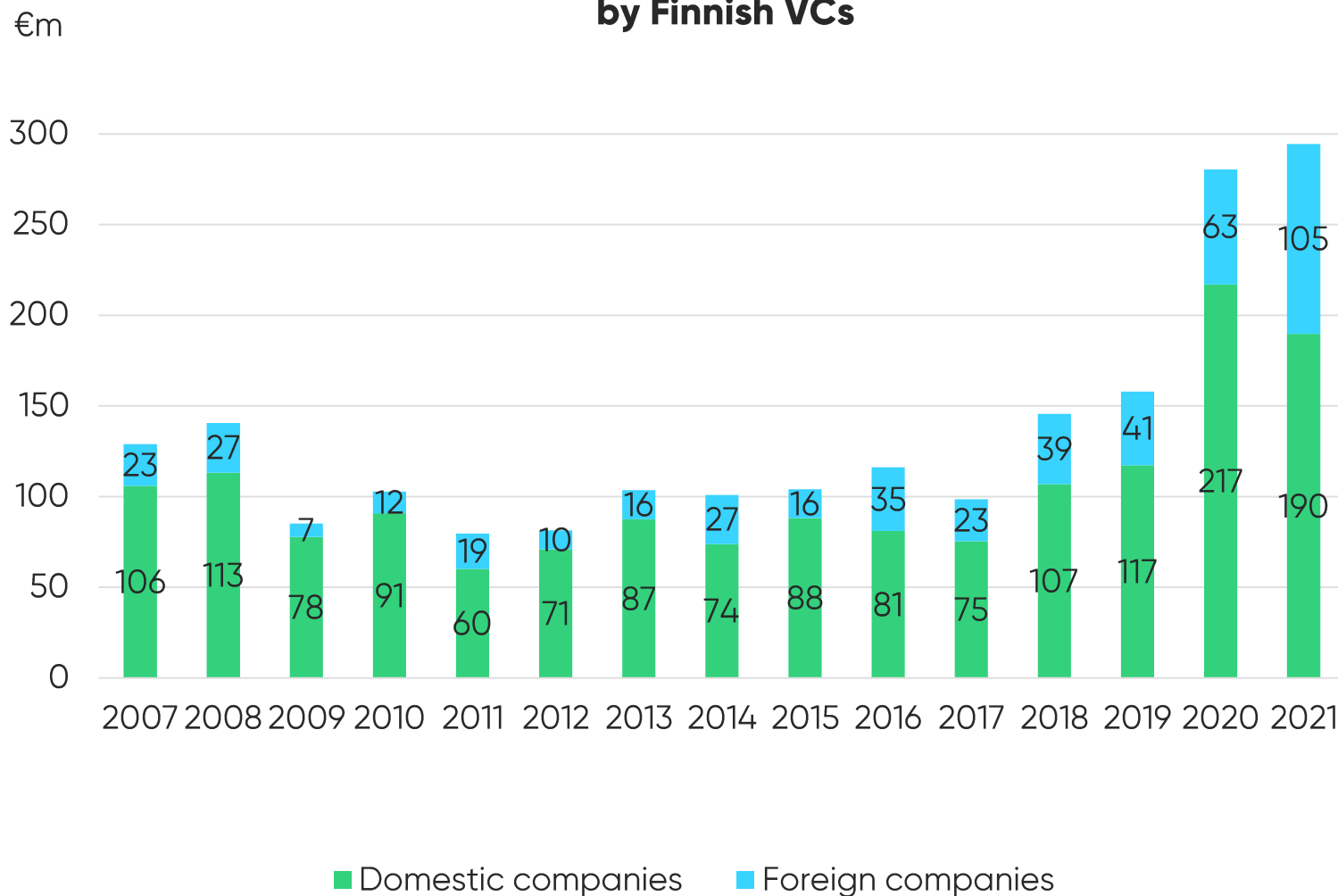
105 M€ (+67 %)

investments into foreign companies by Finnish venture capital investors in 2021

36 %

of invested capital was made into foreign companies

Investments into Domestic and Foreign Companies
by Finnish VCs



Finnish VC investors became more international

73 foreign companies

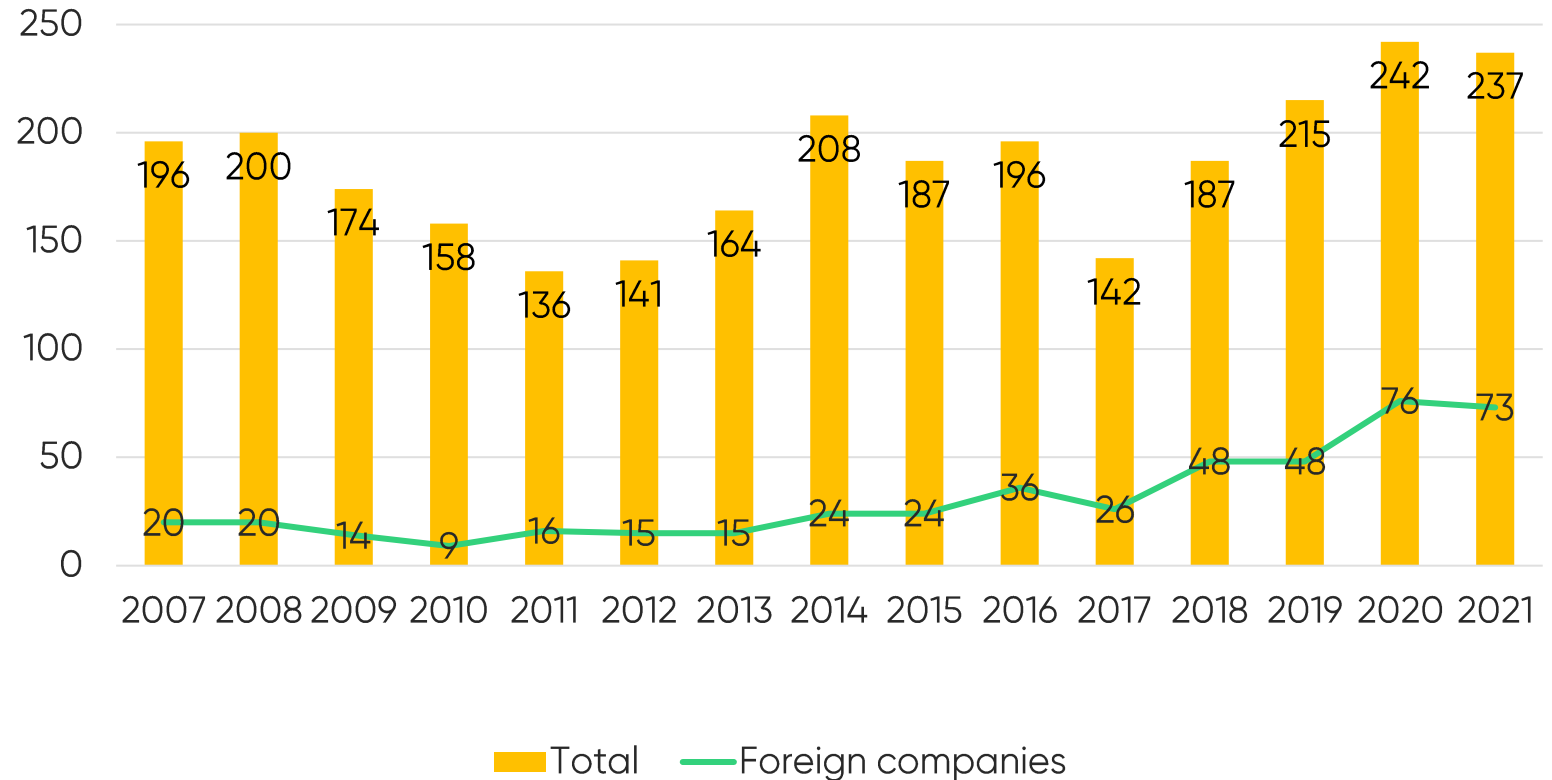
received a venture capital investment from Finland

31 %

of companies that received a Finnish venture capital investment in 2021 were located abroad. The number of foreign investment targets has risen considerably as Finnish venture capital investors have broadened their influence internationally

Investments of Finnish VC Investors

Nbr companies



Sources: FVCA, EDC

4. Private equity investors have record amount of funds to be invested in startup companies

VC fundraising and fund investors

Strong Fundraising Continues After the Record Years

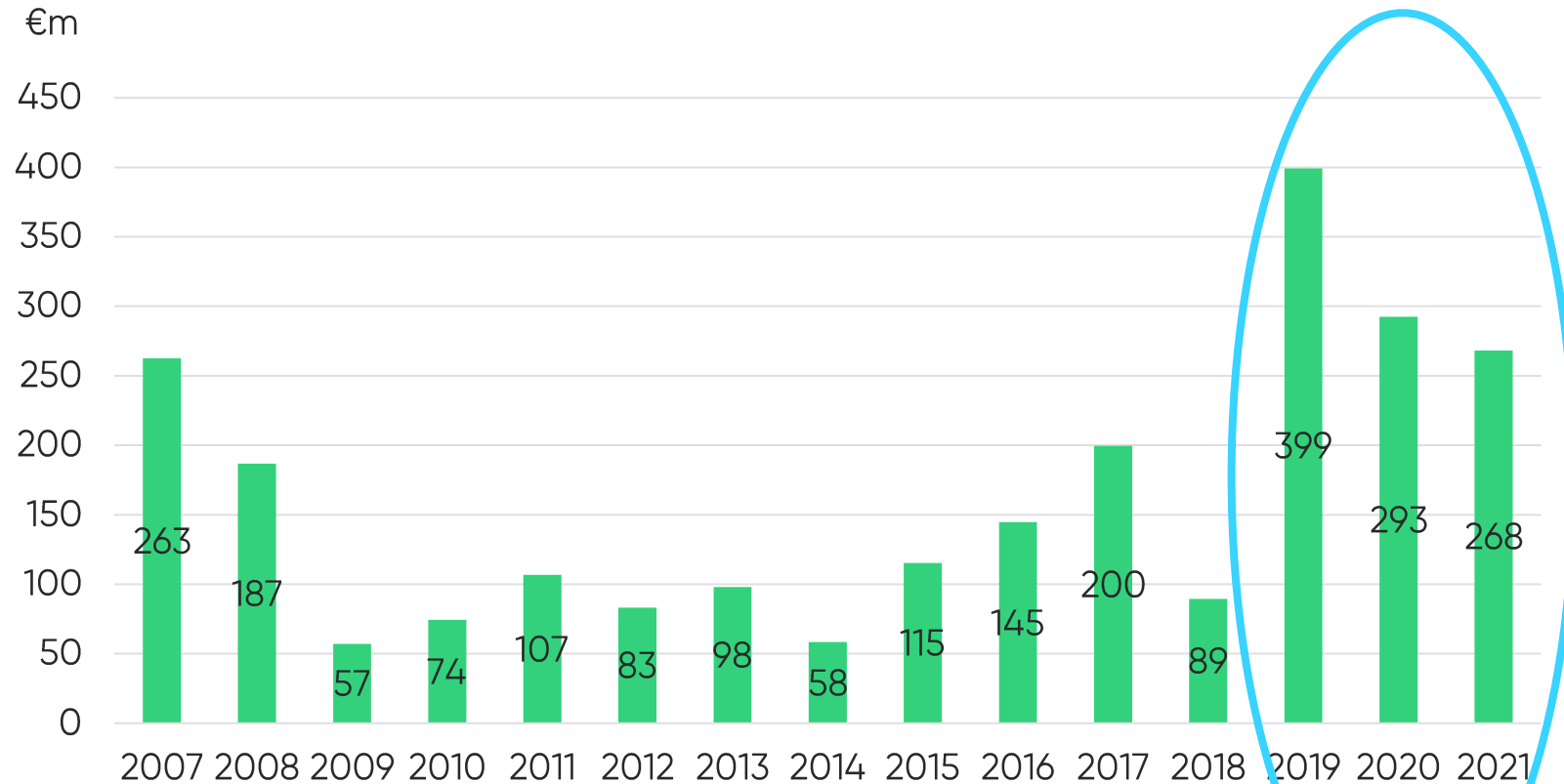
Almost a billion

of funds raised to Finnish VC funds during the last three years

raised funds will be invested in startups during the following years

in 2021, new funds were published by Maki.vc (€100m) and Vendep Capital (€70m)

Fundraising of Finnish VC Funds



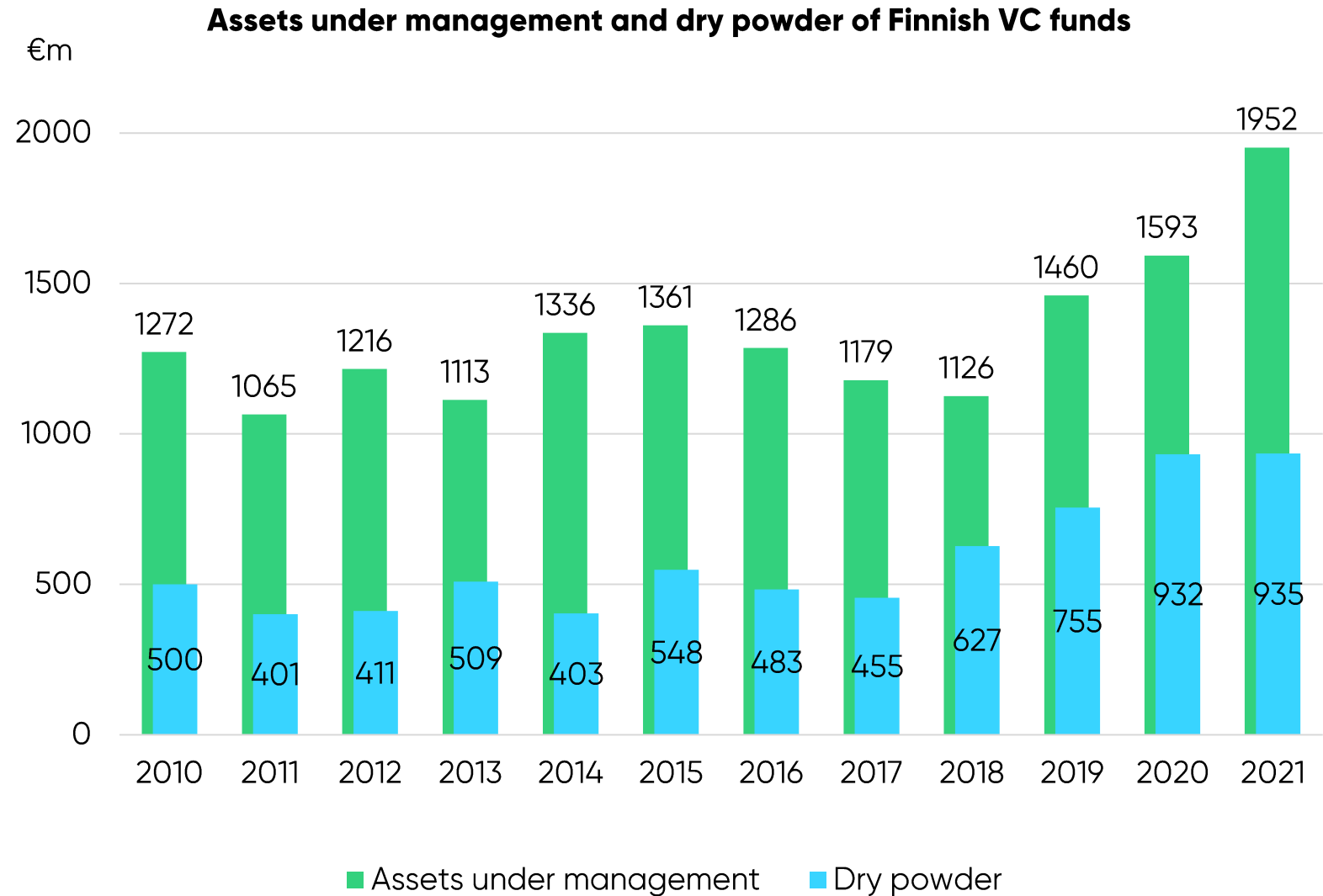
VC funds have increasing amount of capital to invest

€1 952m (+23 %)

thanks to the successful years in fundraising the amount of capital managed by Finnish VC investors have risen to record highs

€935m

48 % of managed capital is ready for investing in promising startups



The Finnish venture capital industry becoming more versatile

€54m (+35 %)
 the average size of funds increased

the number of funds under €20m has increased and the majority is first-time funds founded by new venture capital teams

There are six Finnish funds over €100m in size

Sizes of new Finnish VC Funds by year

Size (€m)	Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
100+	0	0	0	0	0	1	1	1	2	1
50-100	1	0	2	1	2	0	2	1	2	1
20-50	1	0	1	1	0	3	1	1	3	1
0-20	2	1	1	1	1	2	2	2	3	0

Theme specific funds



Funds over €100m



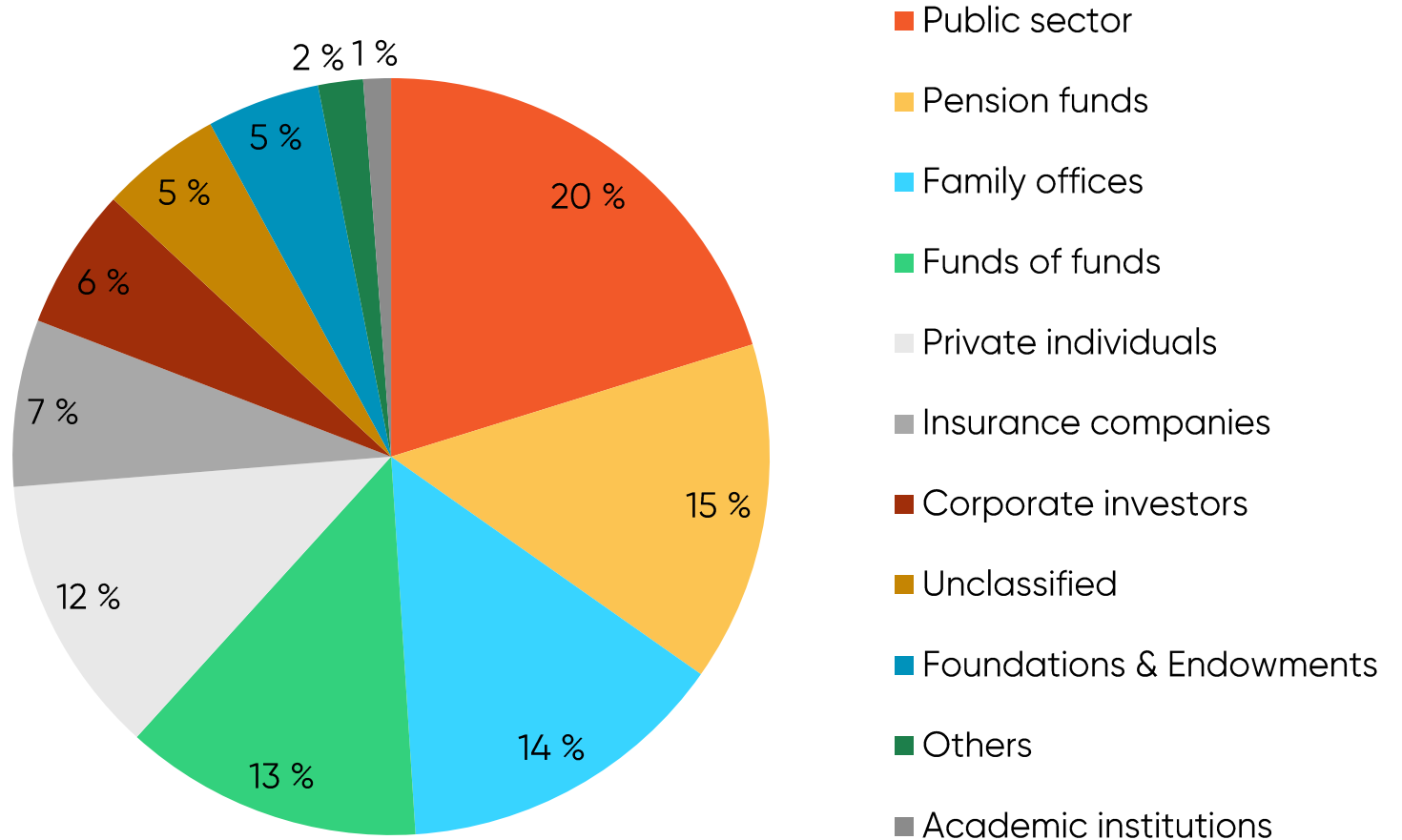
VC fundraising comes from several sources

Finnish venture capital funds collect funding from a diverse group of investors

a fifth of venture capital raised is from public sector investors

the next biggest investors in VC funds are pension funds, family offices and private individuals

Sources of Funds 2021

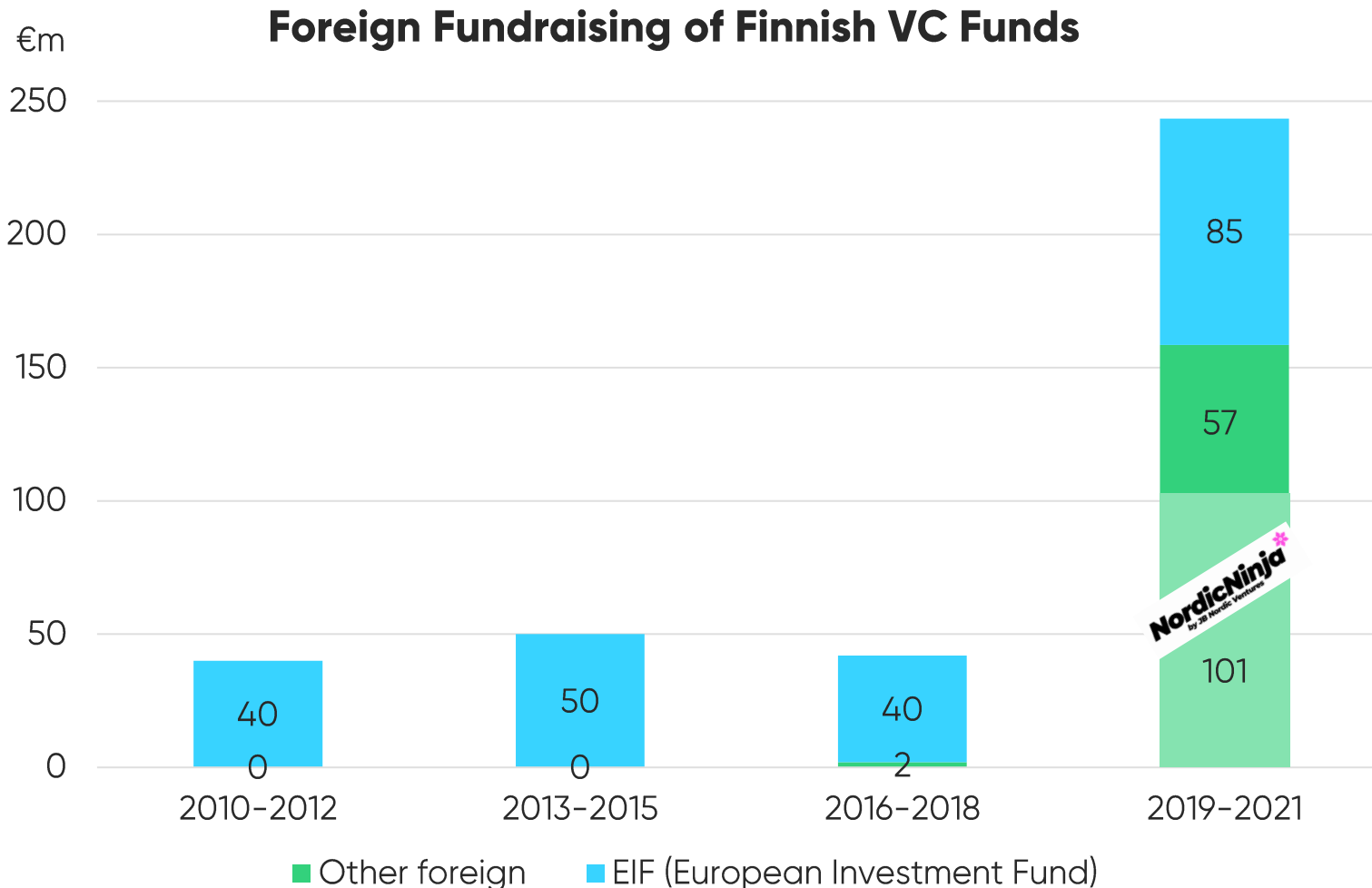


Finnish VC funds appealing to foreign investors

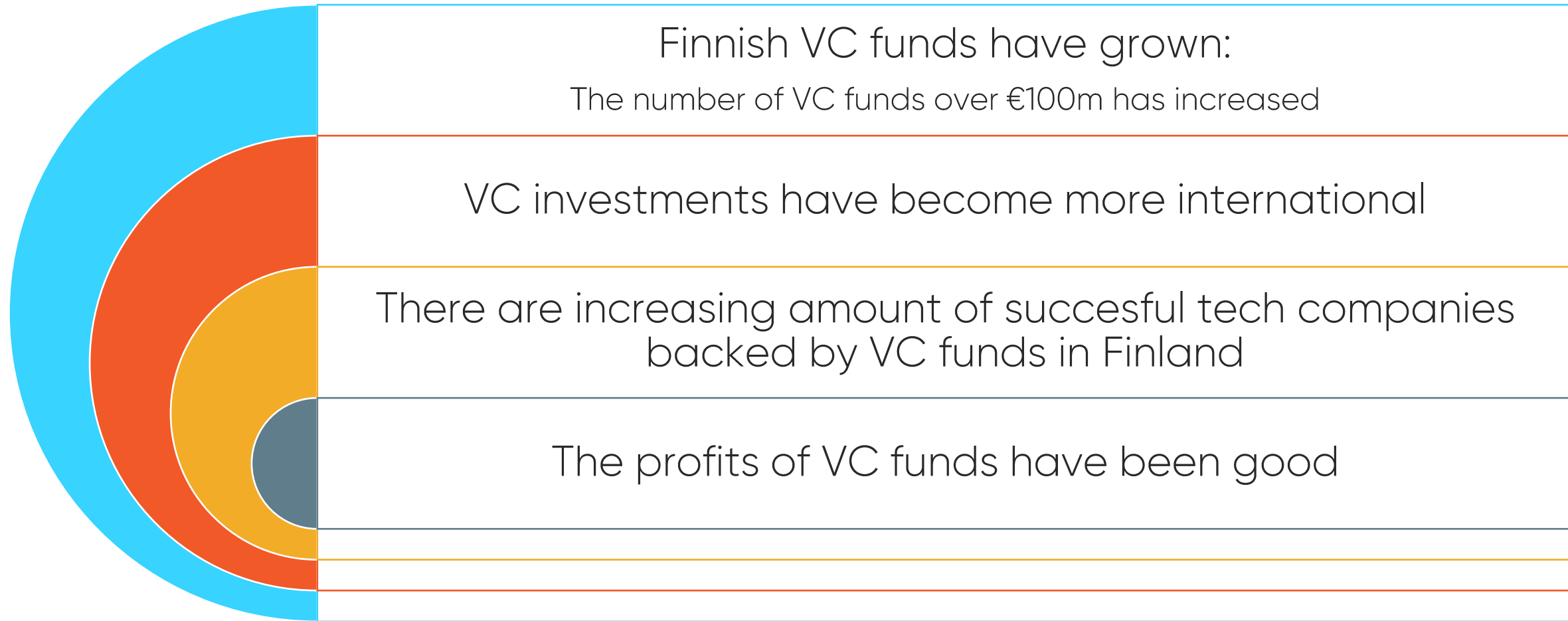
€243m

foreign investors have invested a notable amount into Finnish VC funds during the last three years

the European Investment Fund (EIF) has invested over €200m in Finnish VC funds since 2010.



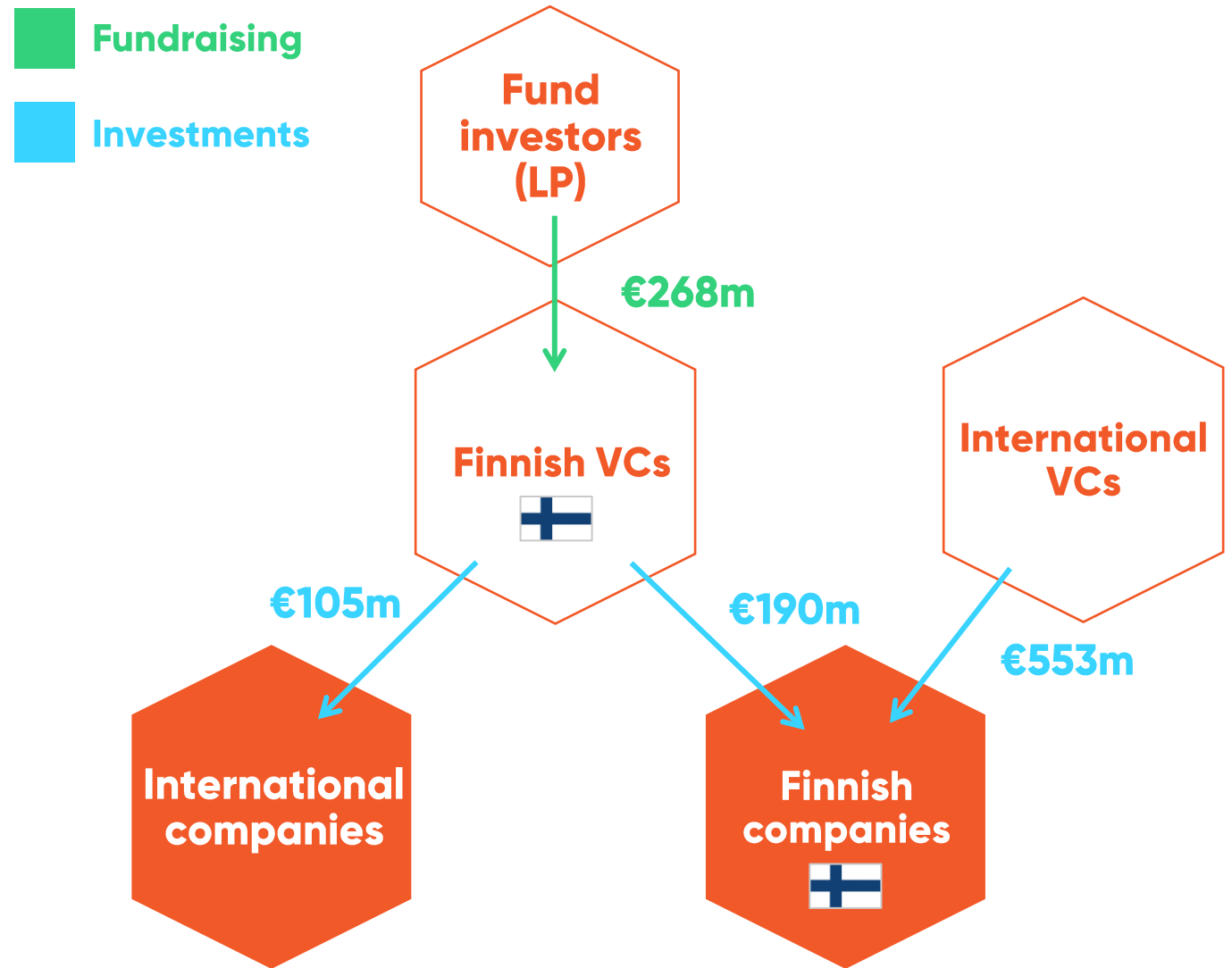
There are plenty of reasons for the increased assets under management in VC funds



SUMMARY

Venture Capital (VC) 2021

both the investments by Finnish VC investors and the investments received by Finnish startups reached a new record amount in 2021



N.b. VC investments only
Sources: FVCA, EDC

Type of investment:

Minority/

Majority

Buyout

Growth

Venture Capital & startups

Finnish private equity investors



Startup and growth companies can look for suitable investors form: www.fvca.fi

Pääomasijoittajat - For entrepreneurs - Find an investor

Find an investor

Revenue	Cash flow	Industry
Investment type	Investment size	Purpose
<input type="button" value="Search"/>		

Average of individual VC investment (2021)

Seed stage
0,5 M

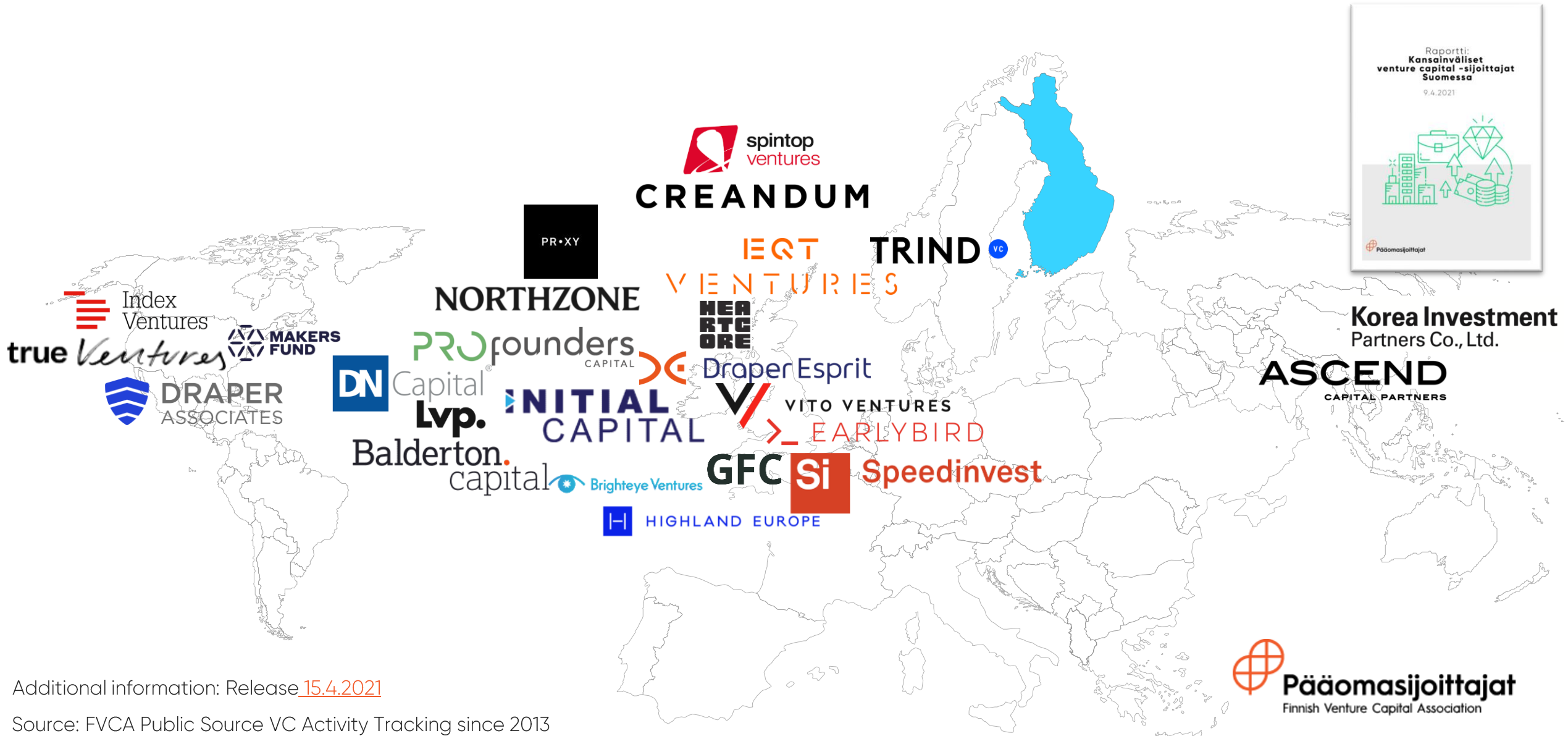
Startup
1,2 M

Later stage
venture 3,4 M



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272 international venture capital investors from 42 different countries have invested in Finnish startups



“

Finnish startup field has become more diverse during the last couple of years. Previously a clear majority of startup companies produced services for other companies, whereas now successful consumer service companies have witnessed major growth. These include, among others, Wolt and Swappie.

**Janne Holmia, Chairman of the Board,
Finnish Venture Capital Association (FVCA)**

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Santavirta interviews:

Janne Holmia – Chairman of the Board, FVCA



Venture capital funds by theme

Deep tech: Jussi Sainiemi / Voima Ventures

Food tech: Mika Kukkurainen / Nordic FoodTech VC

Media and entertainment: Tanu-Matti Tuominen / IPR.VC

Metaverse: Petri Rajahalme / FOV Ventures

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