



**Pääomasijoittajat**

Finnish Venture Capital Association



# Venture Capital in Finland 2021

Statistics on fundraising, investments, and divestments

Presentation as of 21 April 2022

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General information and statistics in brief

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Finnish VC activity in Finland and abroad

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# EDC – European Data Cooperative

The most comprehensive PE-database in Europe

**97 Investors  
in Finland**

3 700 in Europe

**280 Funds  
in Finland**

10 200 in Europe

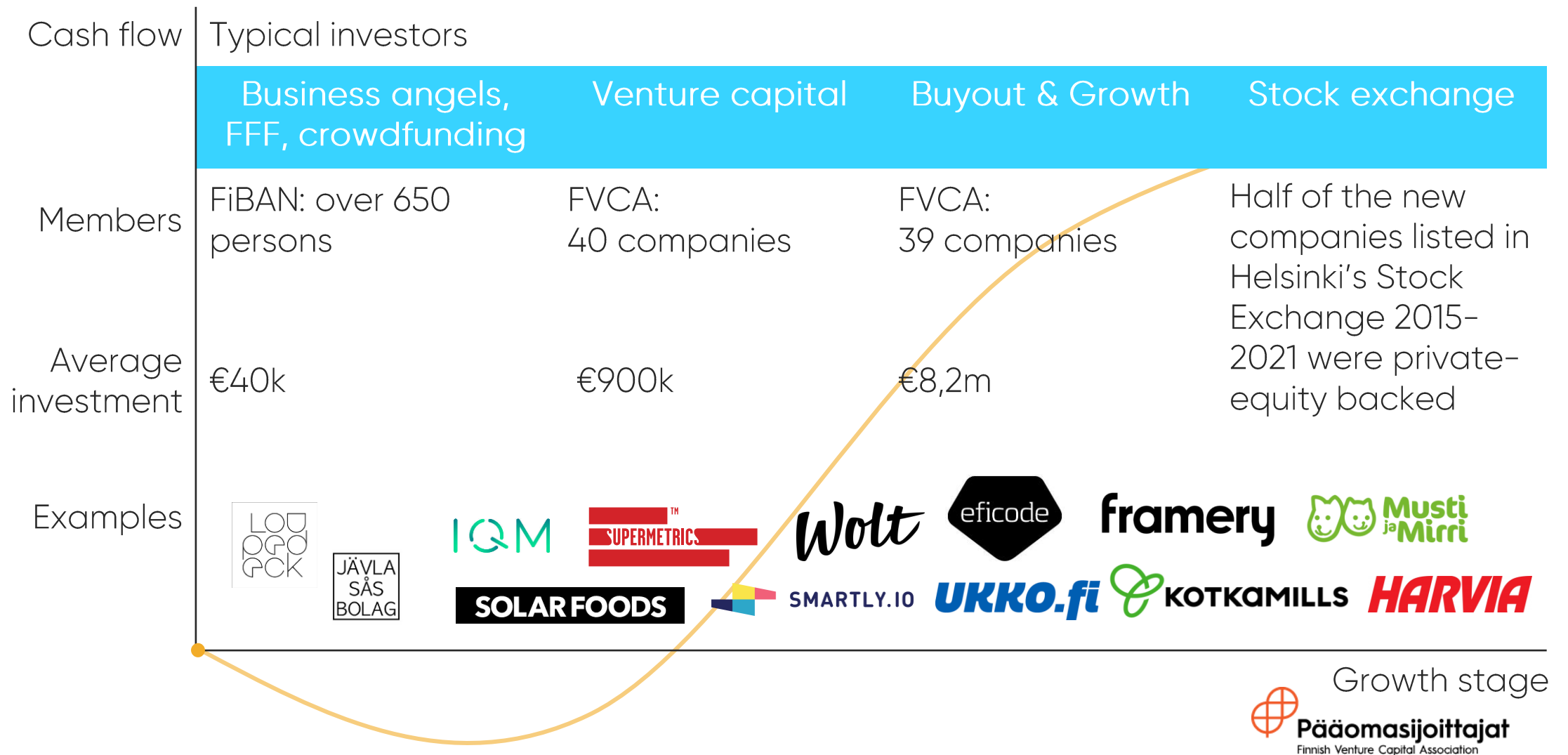
**2 203 Portfolio companies  
in Finland**

83 000 in Europe

**9 265 Transactions  
in Finland**

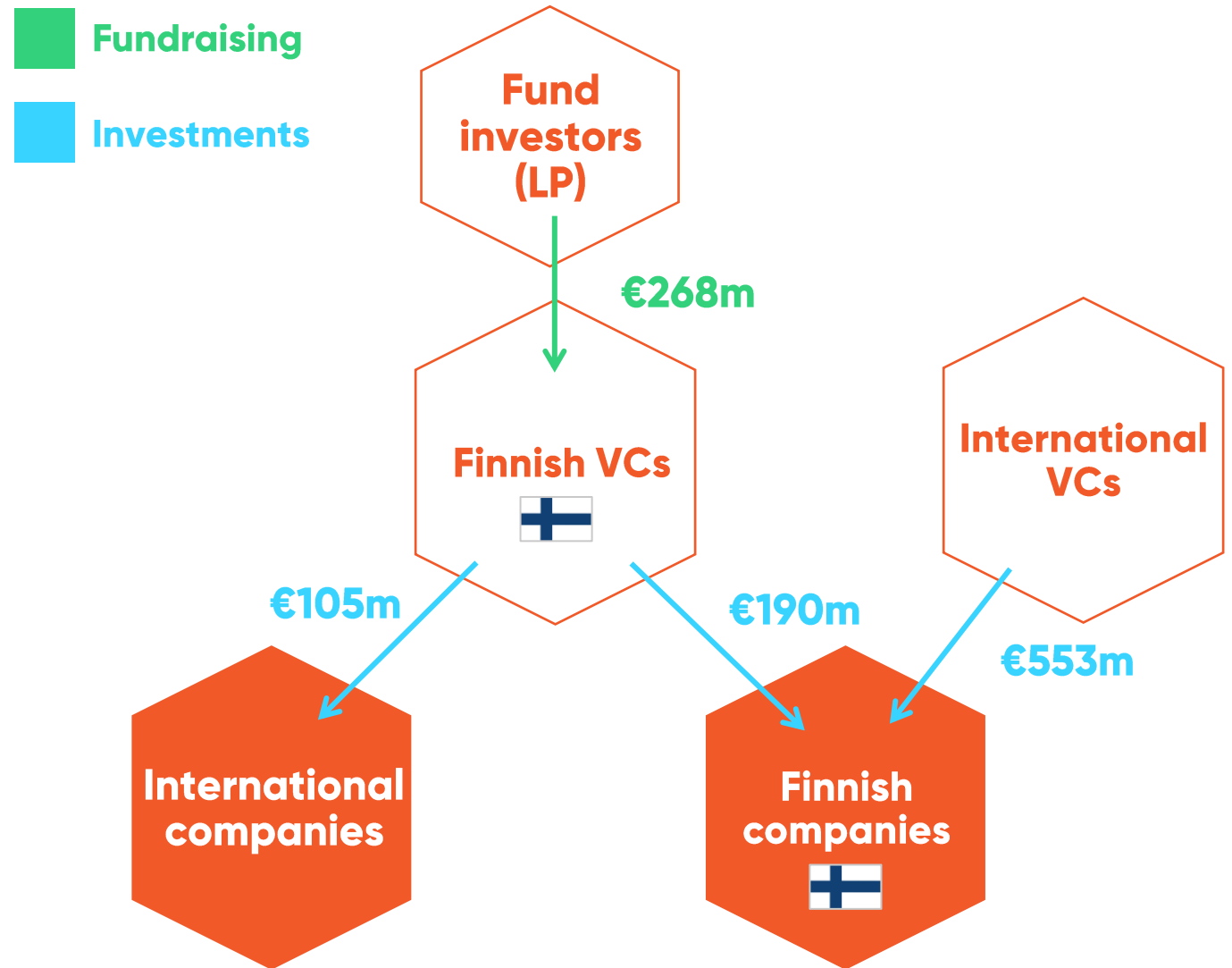
308 000 in Europe

# Private Equity Investors by Stage



# 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

# Venture Capital (VC) 2021

Statistics in brief

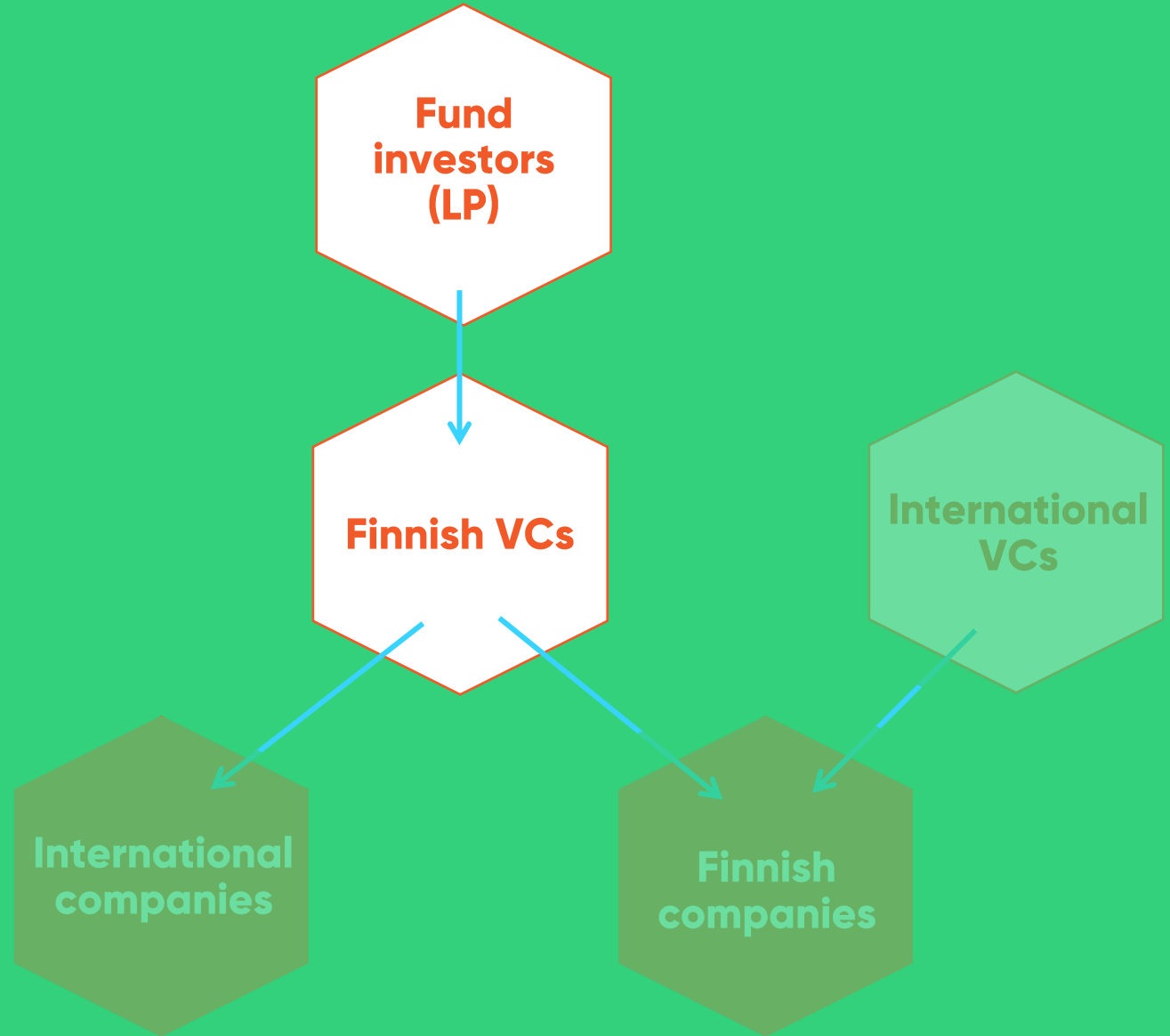
- Finnish VC funds raised third highest amount of new funds ever with **€268m** (-9 %).
- Finnish companies received **€743m** (+60 %) worth of VC investments in total, out of which **€190m** (-12 %) came from Finnish investors and **€553m** (+123 %) from international investors.
- Altogether, **182** (+2 %) Finnish companies received a domestic or international VC investment.
- Finnish VC firms invested a record-total of **€294m** (+5 %) into **237** (-2 %) domestic and international startups.
- 36 % of total investments by Finnish VCs were invested into companies abroad, a record-total of **€105m** (+67 %).

Comparison to last year's figures in parentheses  
Sources: FVCA, EDC

# Industry Statistics

Finnish VC activity in Finland and abroad

# Fundraising





# Strong Fundraising Continues After the Record Years

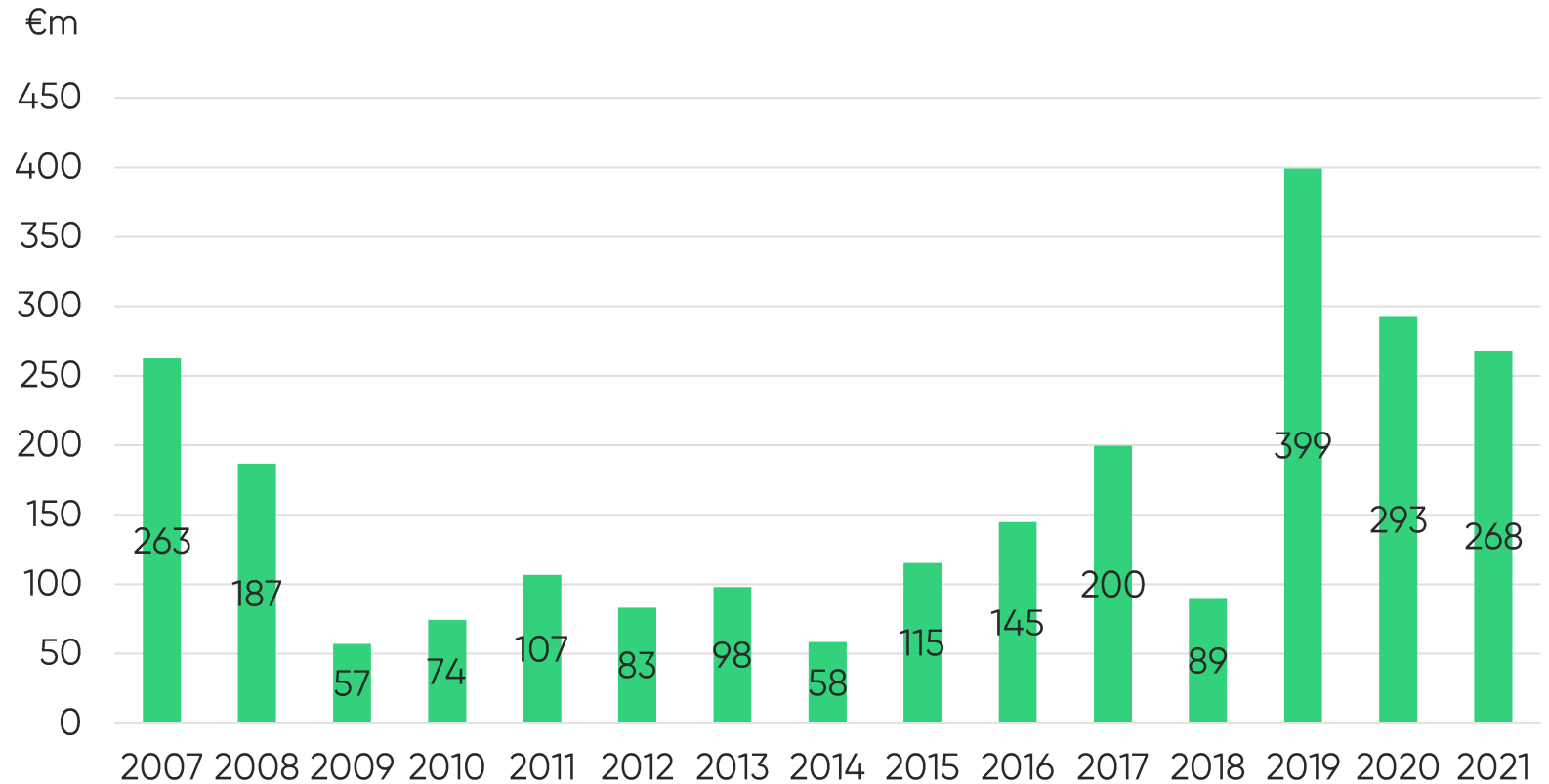
## Almost a billion

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



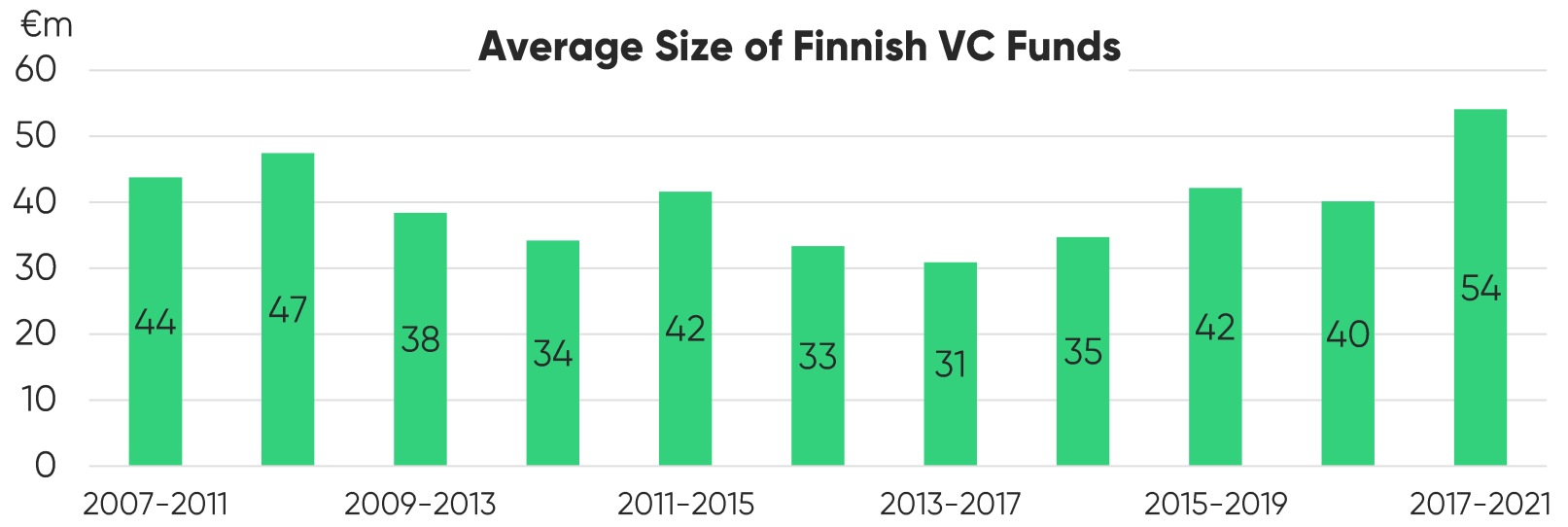
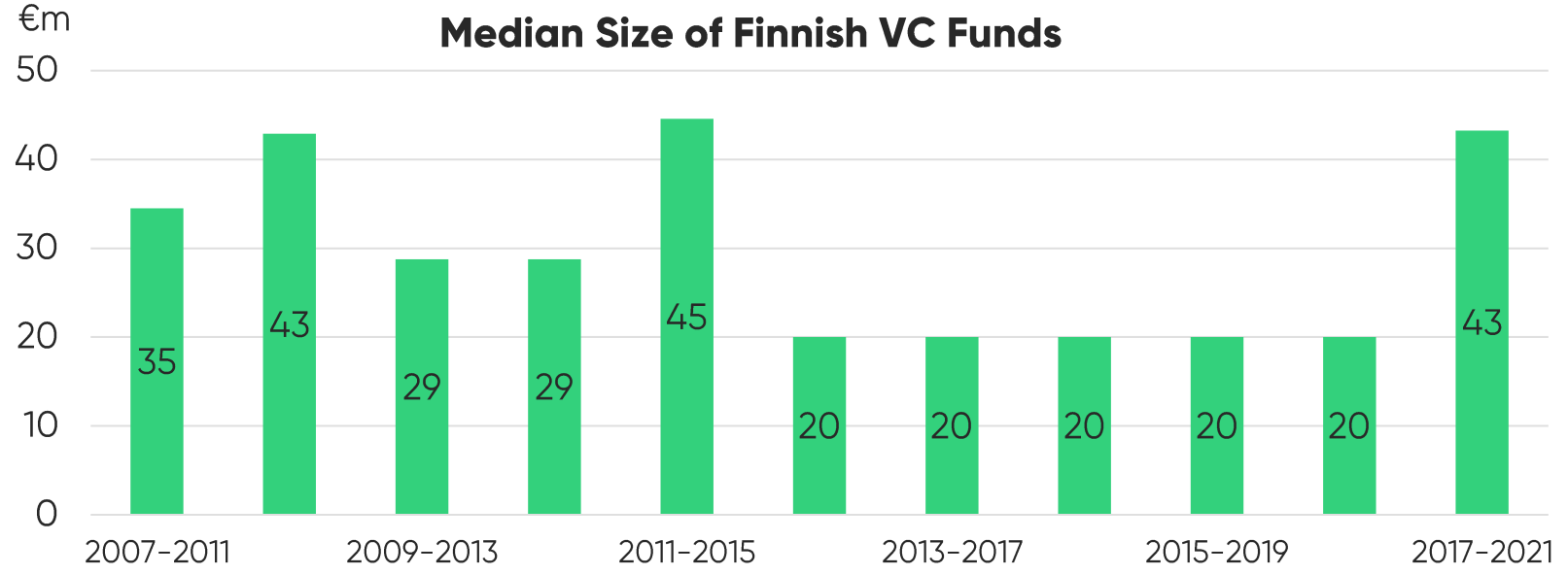
# Development of Finnish VC Funds' Size

**€43m** (+115 %)

the median size of Finnish VC funds doubled in comparison to the previous 5-year period

**€54m** (+35 %)

also the average fund size increased



Sources: FVCA, EDC

# The Finnish Venture Capital Industry Becoming More Versatile

There are six VC funds in Finland with over €100m in size

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

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



Sources: FVCA, EDC

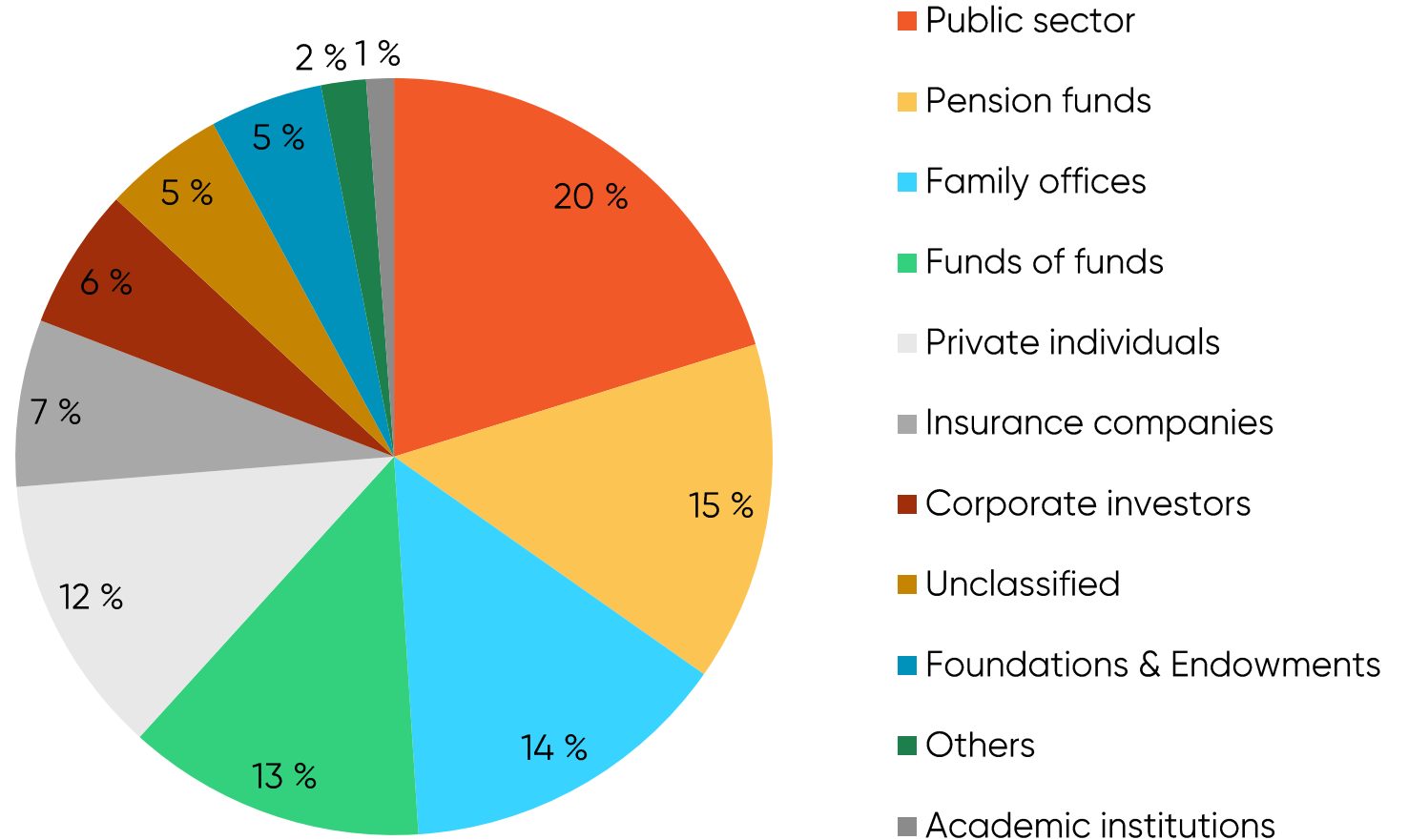
# VC Fundraising Comes from Several Sources

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

a fifth of the 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

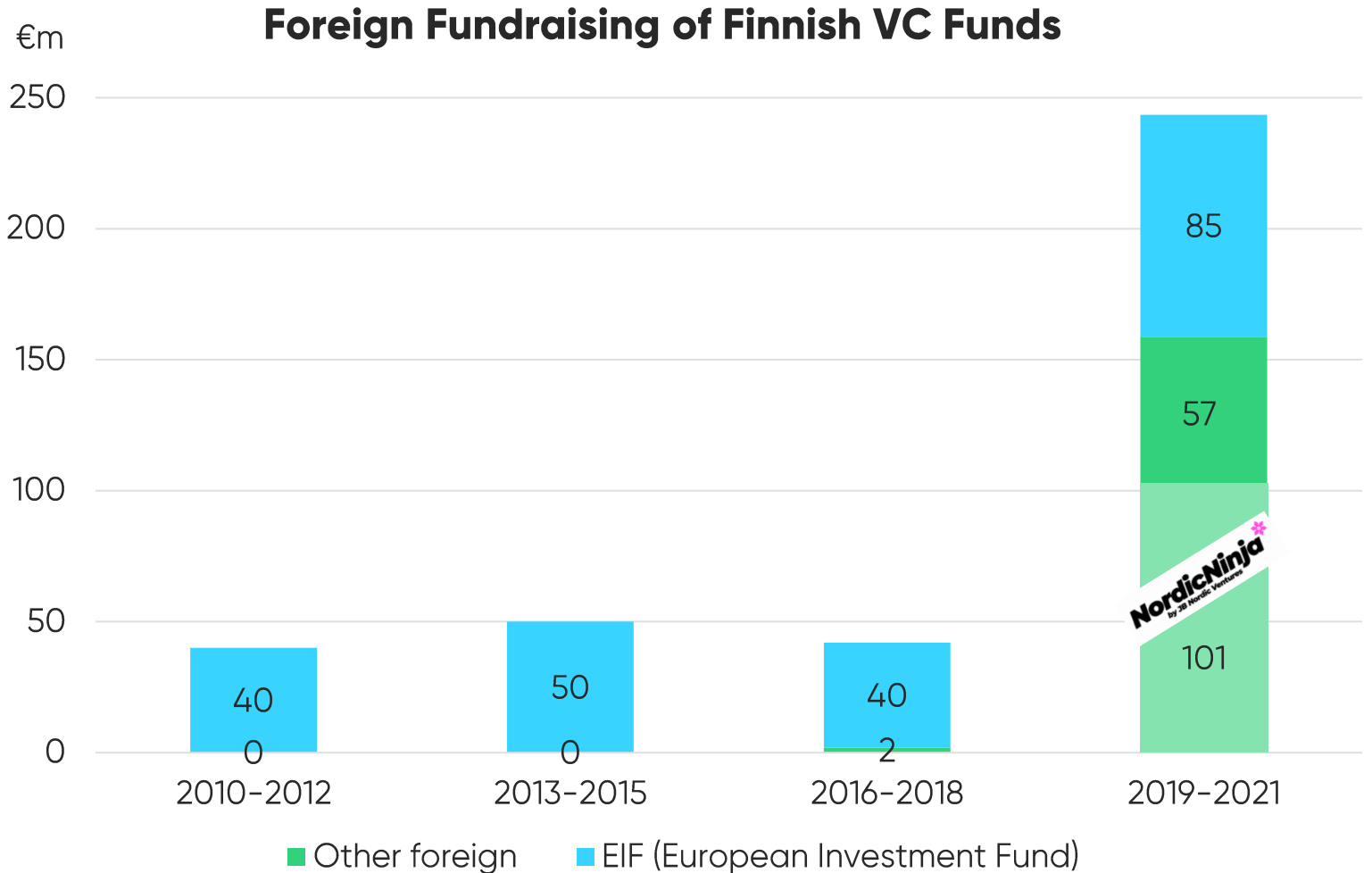


# Finnish VC Funds Appealing to Foreign Investors

**€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



# VC Funds Have Increasing Amount of Capital to Invest

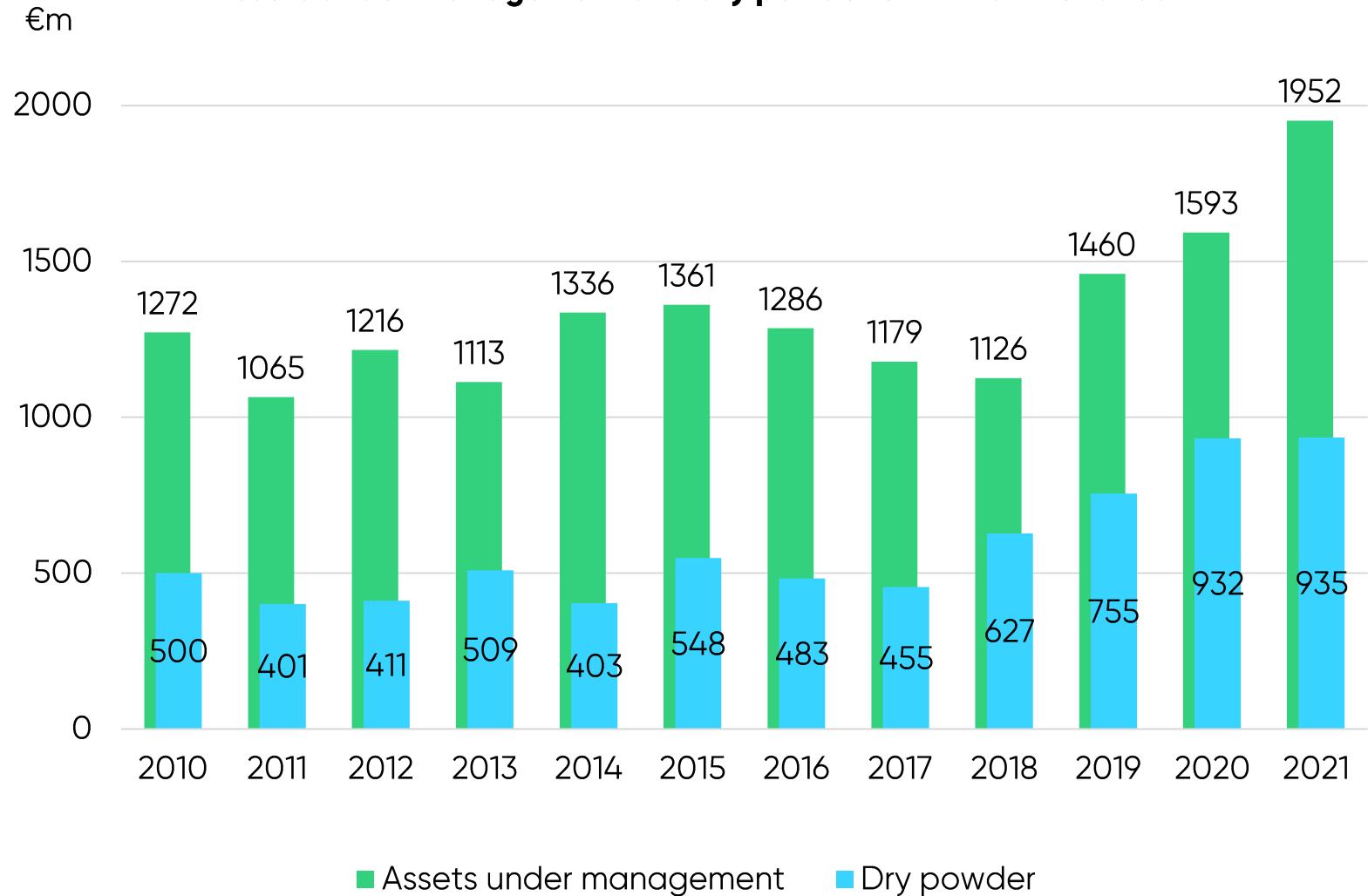
**€1 952m** (+23 %)

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

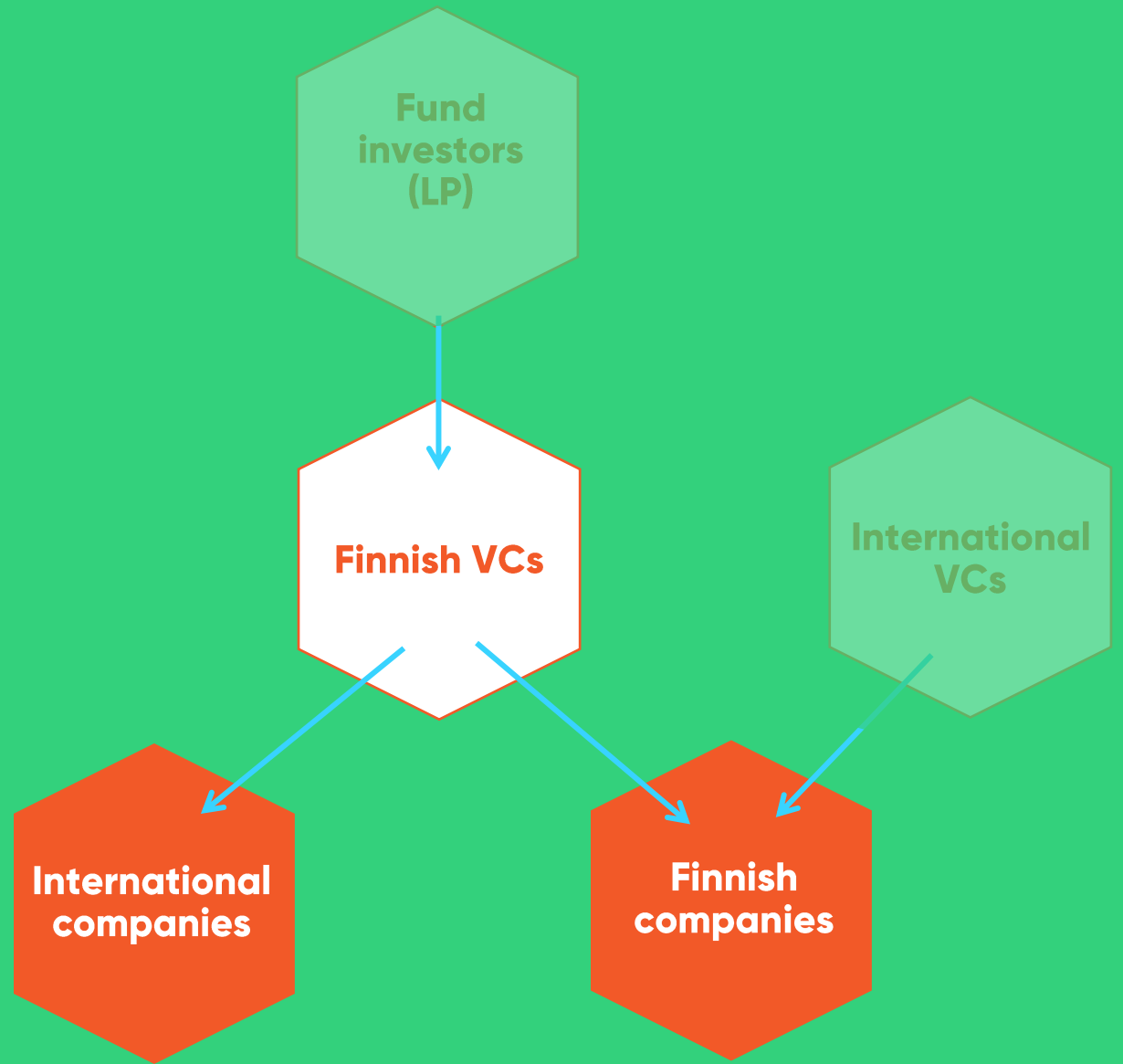
**€935m**

48 % of managed capital is still available for new investments in promising startups

**Assets under management and dry powder of Finnish VC funds**



# Investments



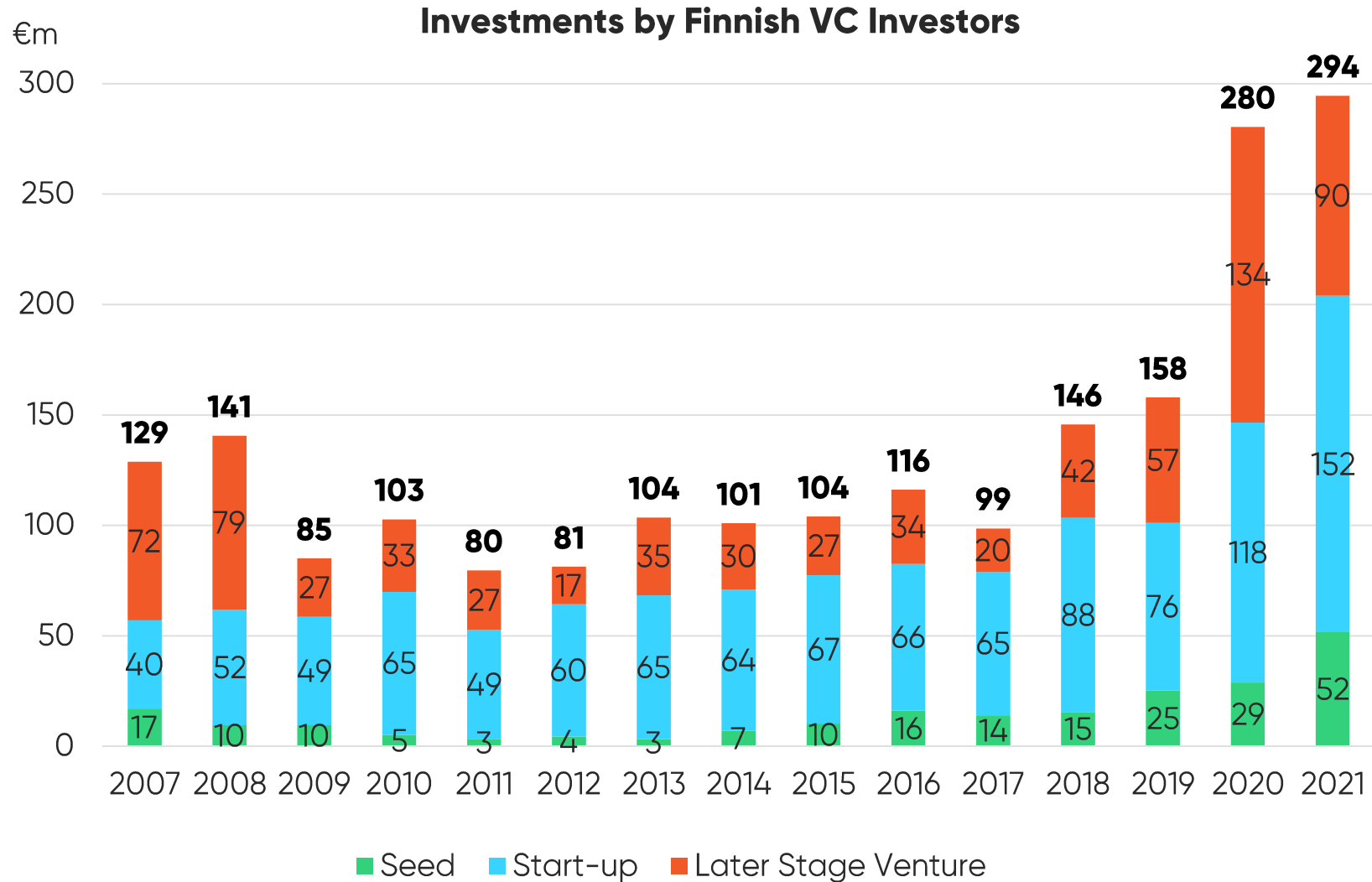
# A Record Sum Invested by Finnish VCs

**€294m** (+5 %)

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

**€52m** (+79 %)

seed-stage investments rose to a new record in 2021

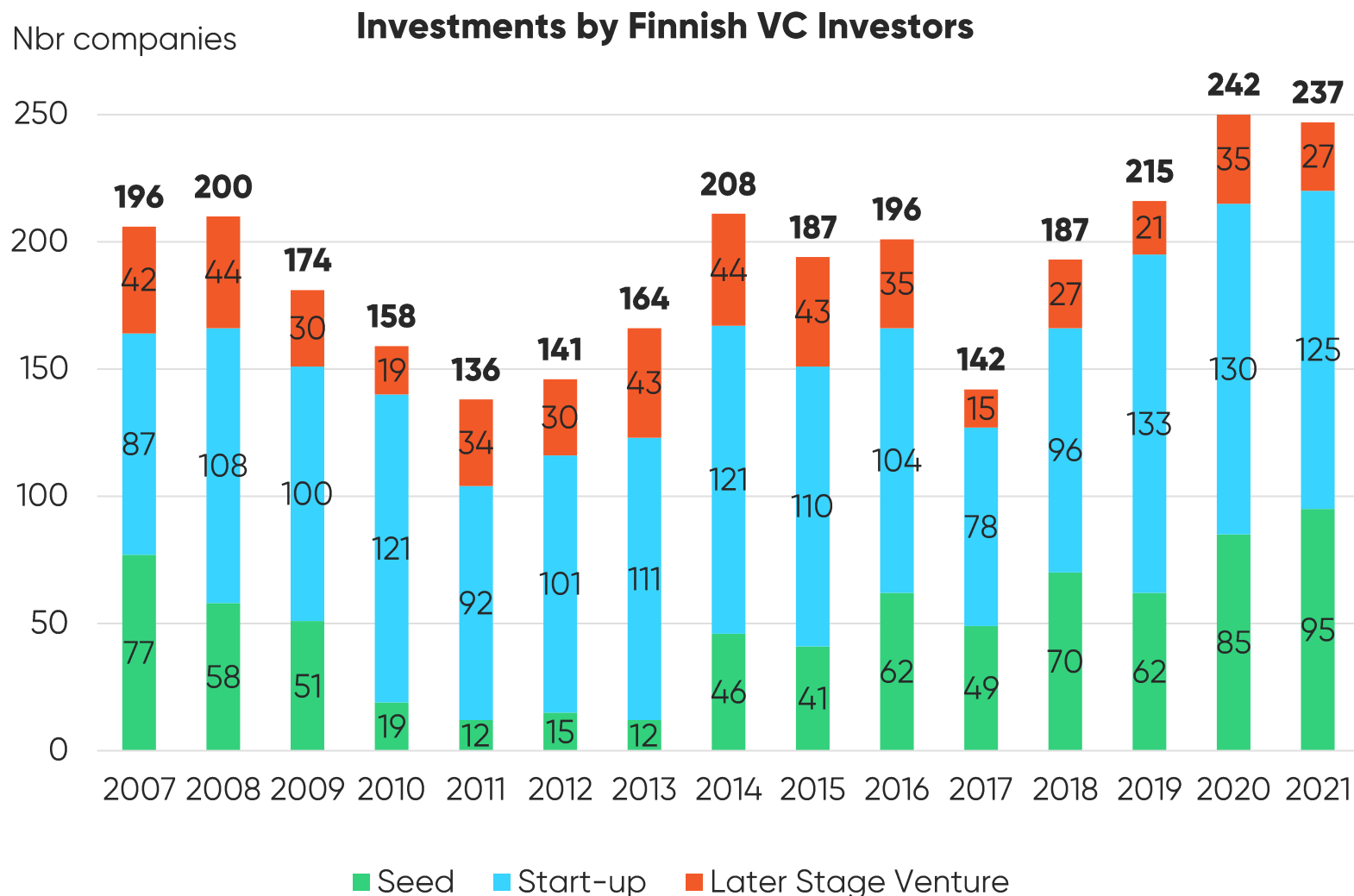




# Number of Companies Invested in Stays on Record Levels

**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.

Sources: FVCA, EDC

# Finnish Venture Capital Investments Abroad Reached a New Record

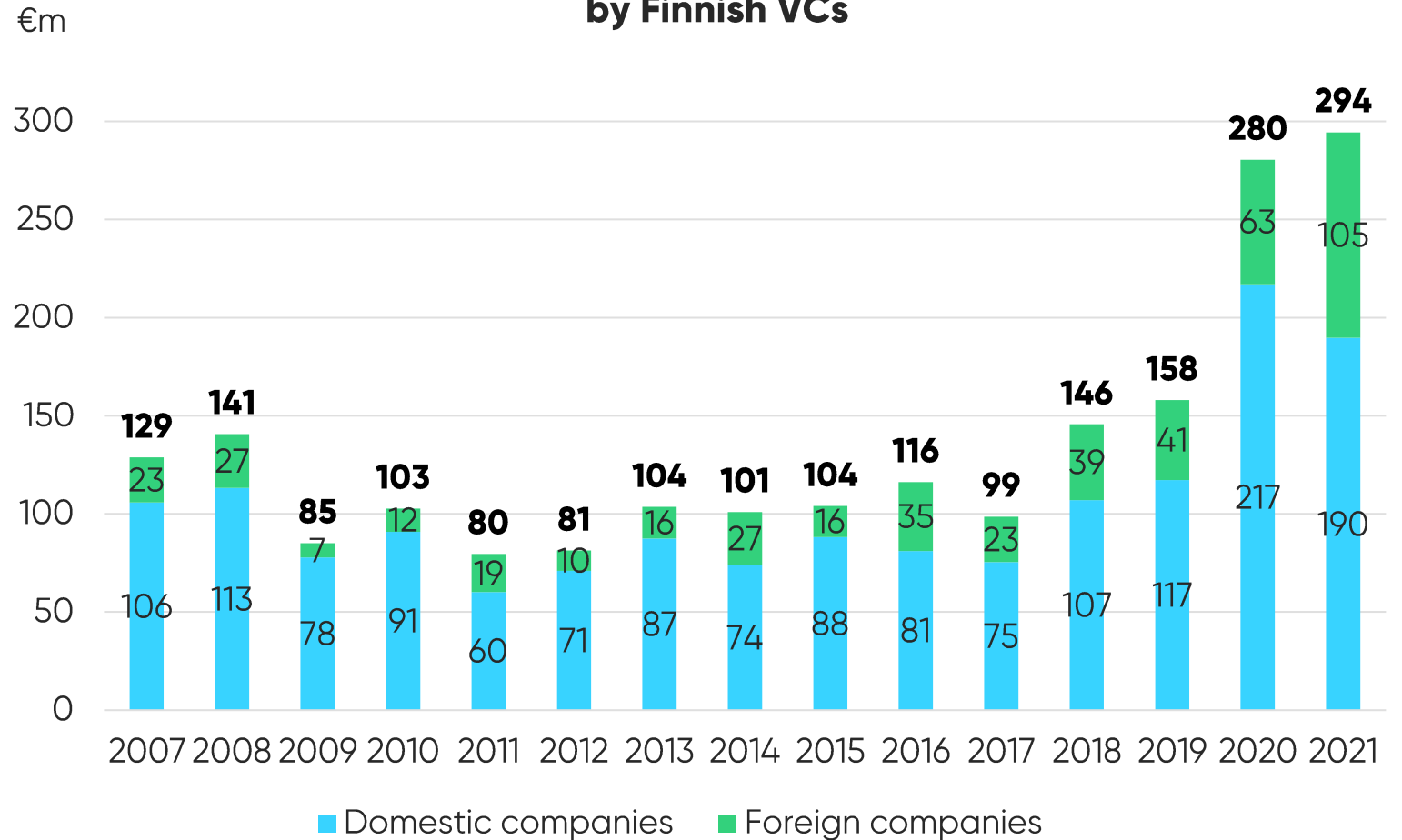
**105 M€** (+67 %)

investments into foreign companies by Finnish venture capital investors in 2021

**36 %**

Foreign companies received over one third of all capital invested by Finnish VCs

## Investments into Domestic and Foreign Companies by Finnish VCs



# Finnish VC Investors Becoming More International

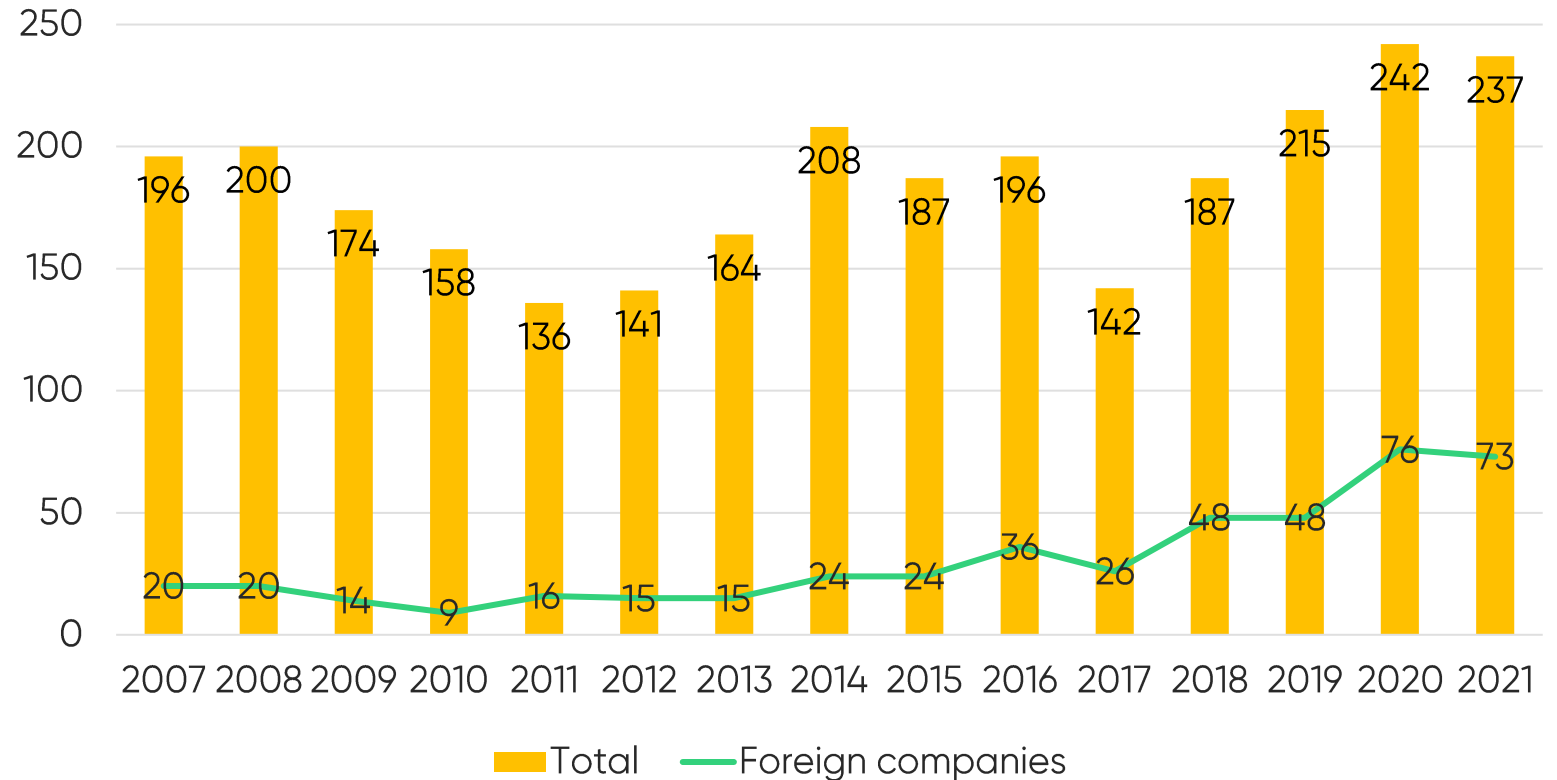
**73 foreign companies**  
received a venture capital  
investment from Finland

**31 %**  
of companies that received a  
Finnish venture capital  
investment in 2021 were  
located abroad

internationalization of Finnish  
VCs has led to more foreign  
investments

## Investments of Finnish VC Investors

Nbr companies

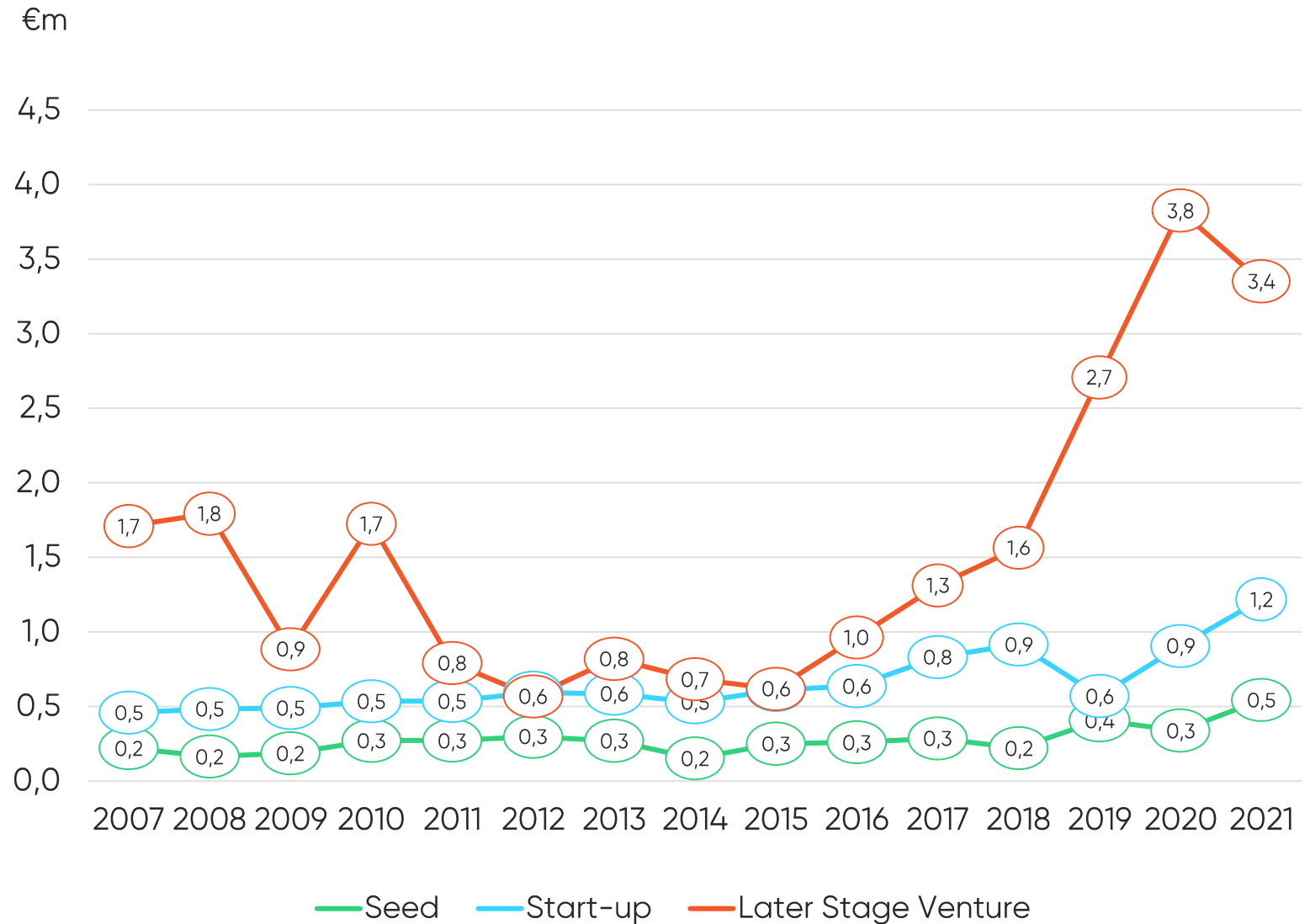


# Investment Sizes Have Increased in Recent Years

**€1.2m**

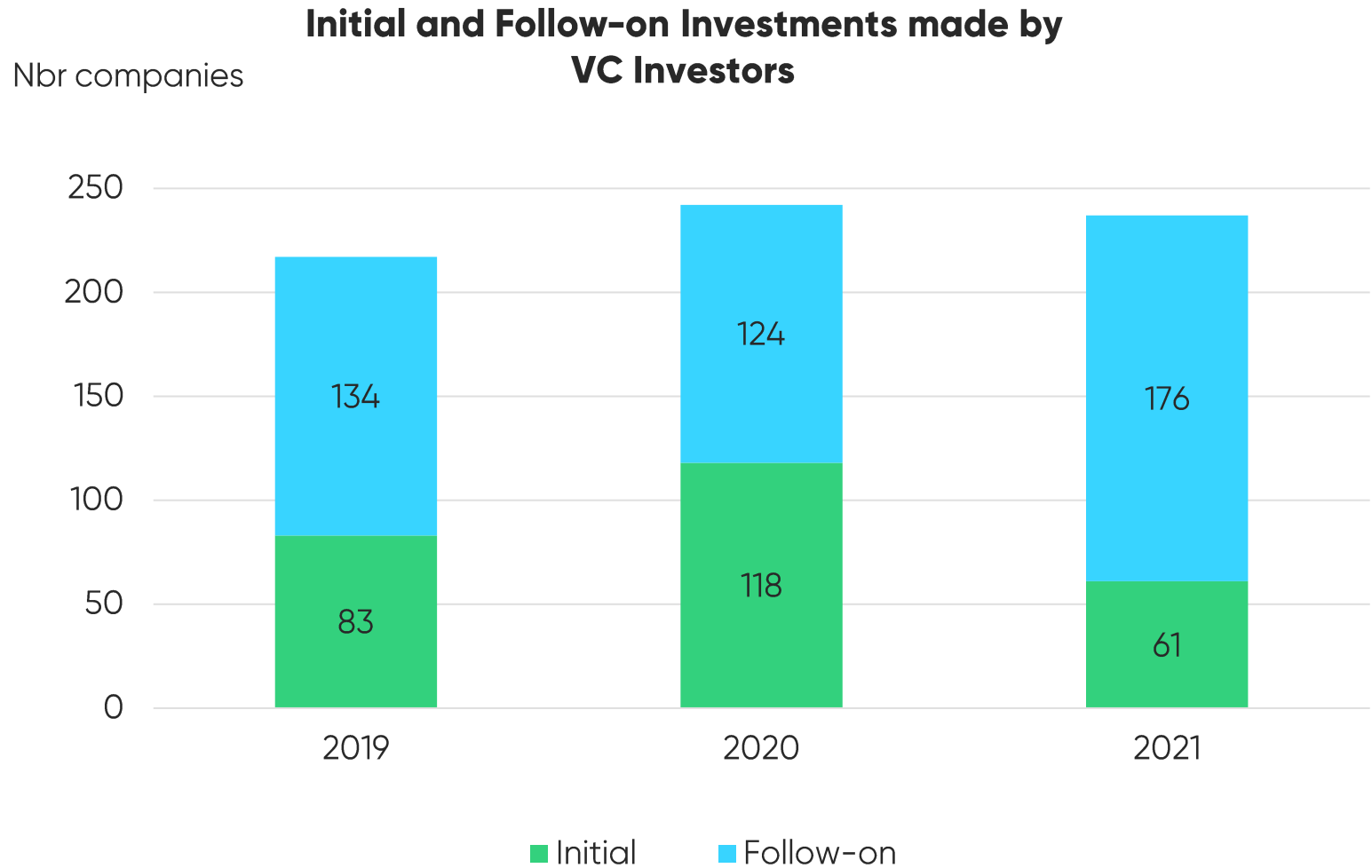
when considering all the investment stages the average investment size increased 7 % from year 2020

## Finnish VCs' Average Investment Size



# One Fourth of the Investments Were First-Time Investments

**176 companies** (+42 %) VC investors' follow-on investments



# The Growth in Investments Is Led by the Private Sector

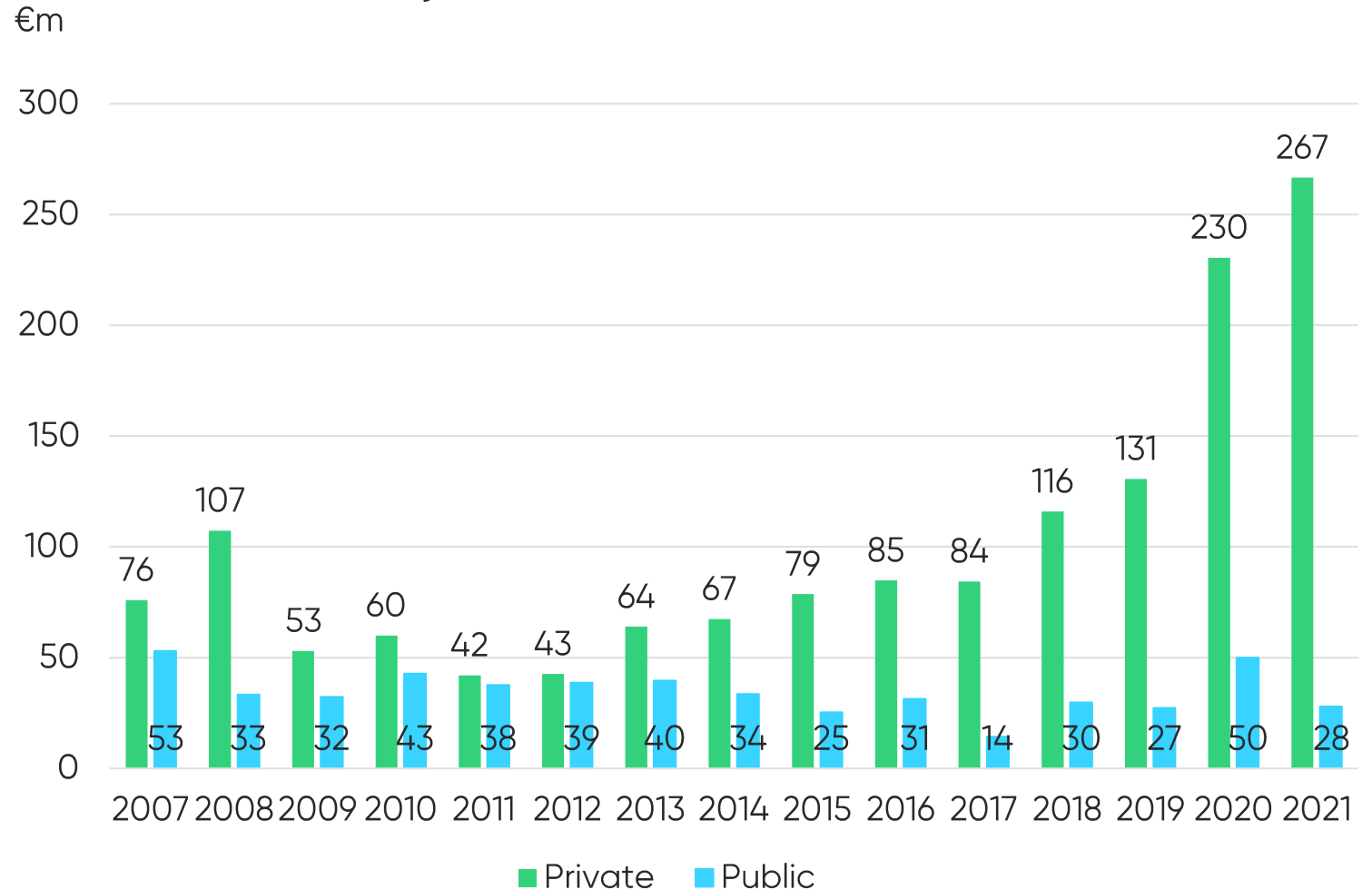
**€267m** (+16 %)

private-sector investments in startups are increasing rapidly

the public sector has an important role in underinvested sectors and particularly as a fund investor

€16m of public sector investments were made from Venture Bridge programme (€14m in 2020)

### Investments by Finnish Private and Public VC Investors



Sources: FVCA, EDC

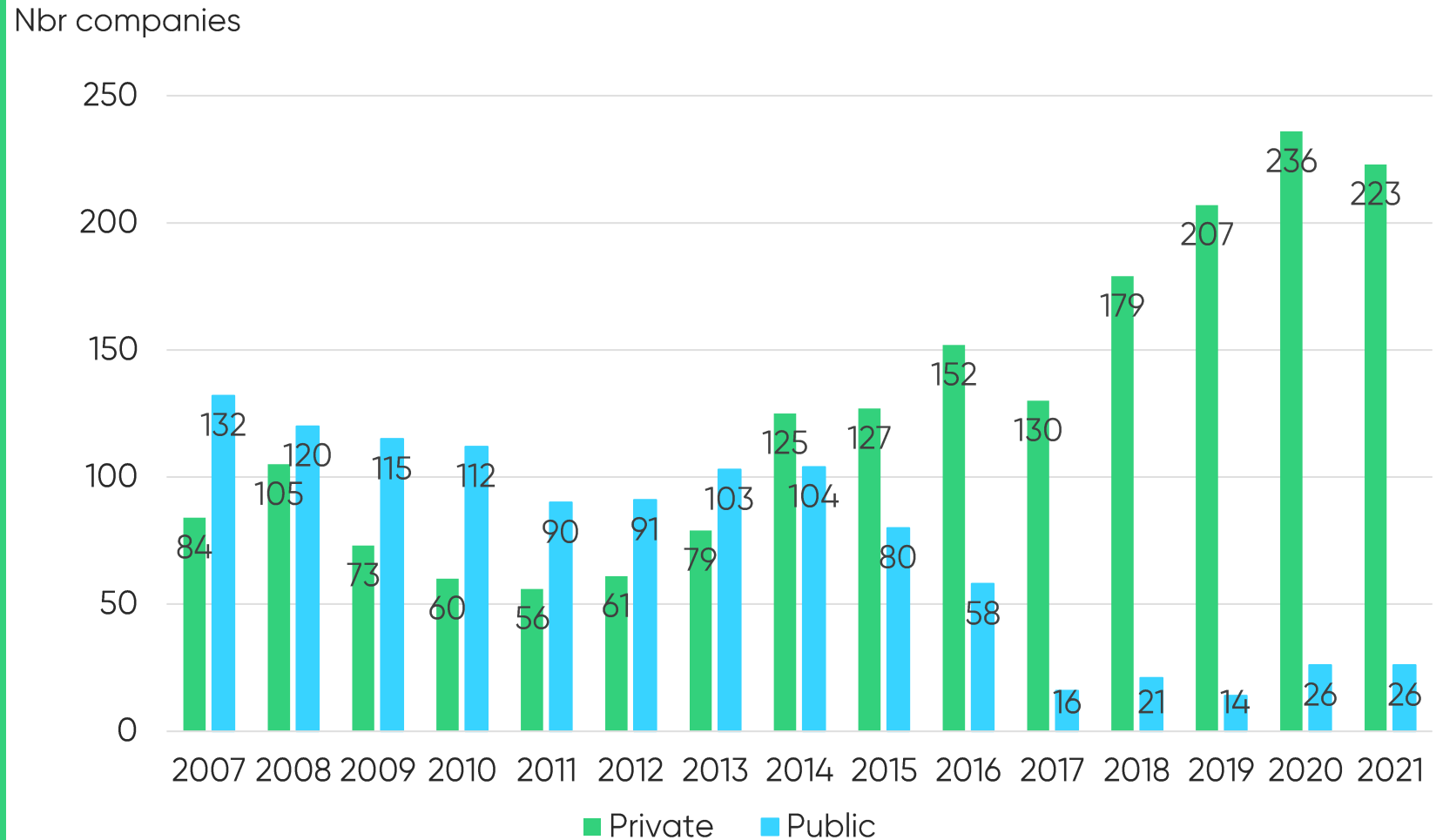
# Private Sector VCs Invest in Over 200 Companies Annually

**Approximately 90 %** of investments are made by private sector investors

the number of companies receiving investments from the private sector VCs has almost quadrupled in ten years

20 companies received public sector investment from Venture Bridge Programme (15 companies in 2020)

## Investments by Finnish Private and Public VC Investors



# Divestments



## The Number of Divestments has Increased

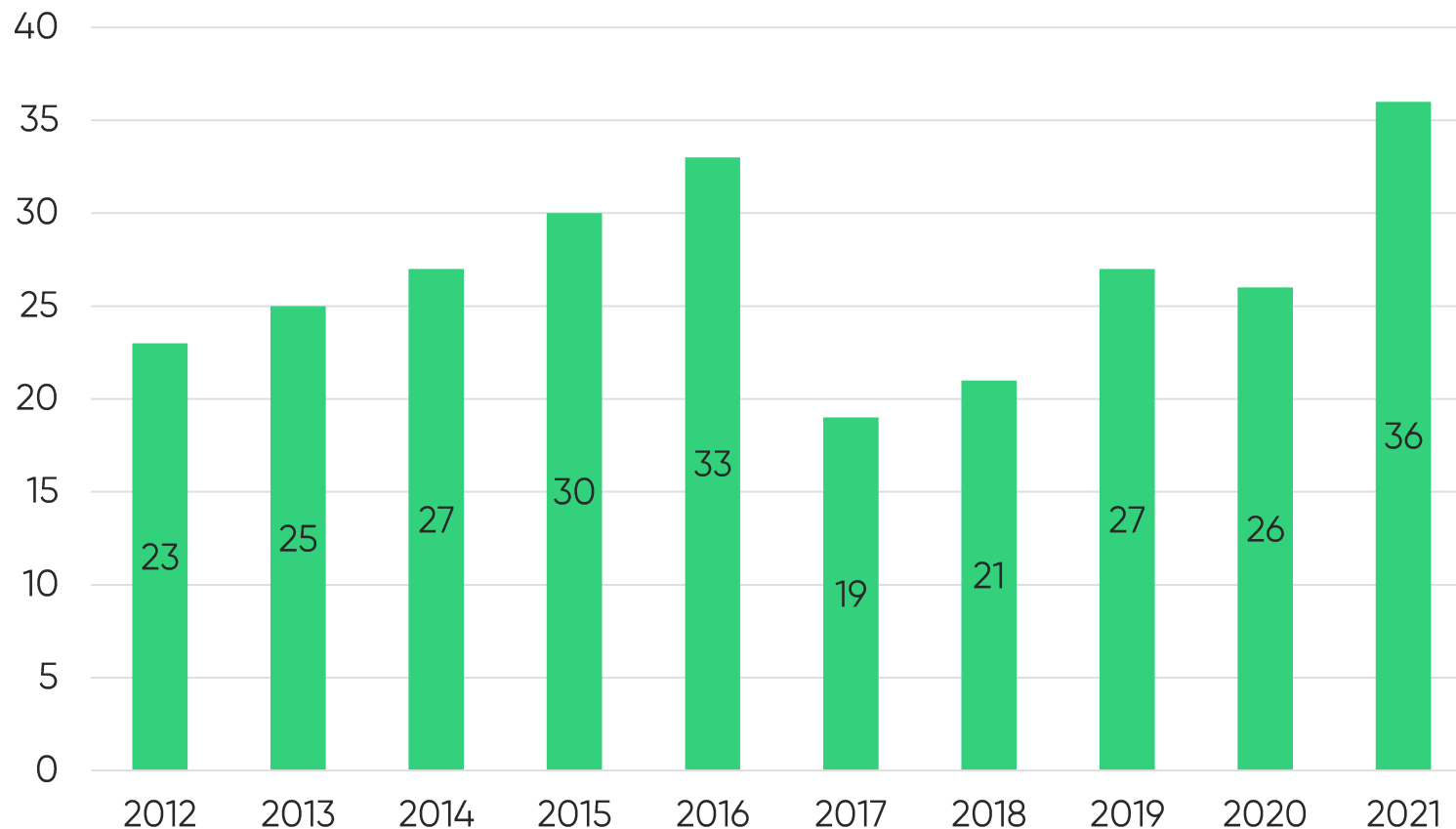
**36 (+38 %)**

companies were successfully exited in 2021

number of exited companies by Finnish VCs was on the highest level in ten years

### Successful divestments by Finnish VC Investors

Nbr companies



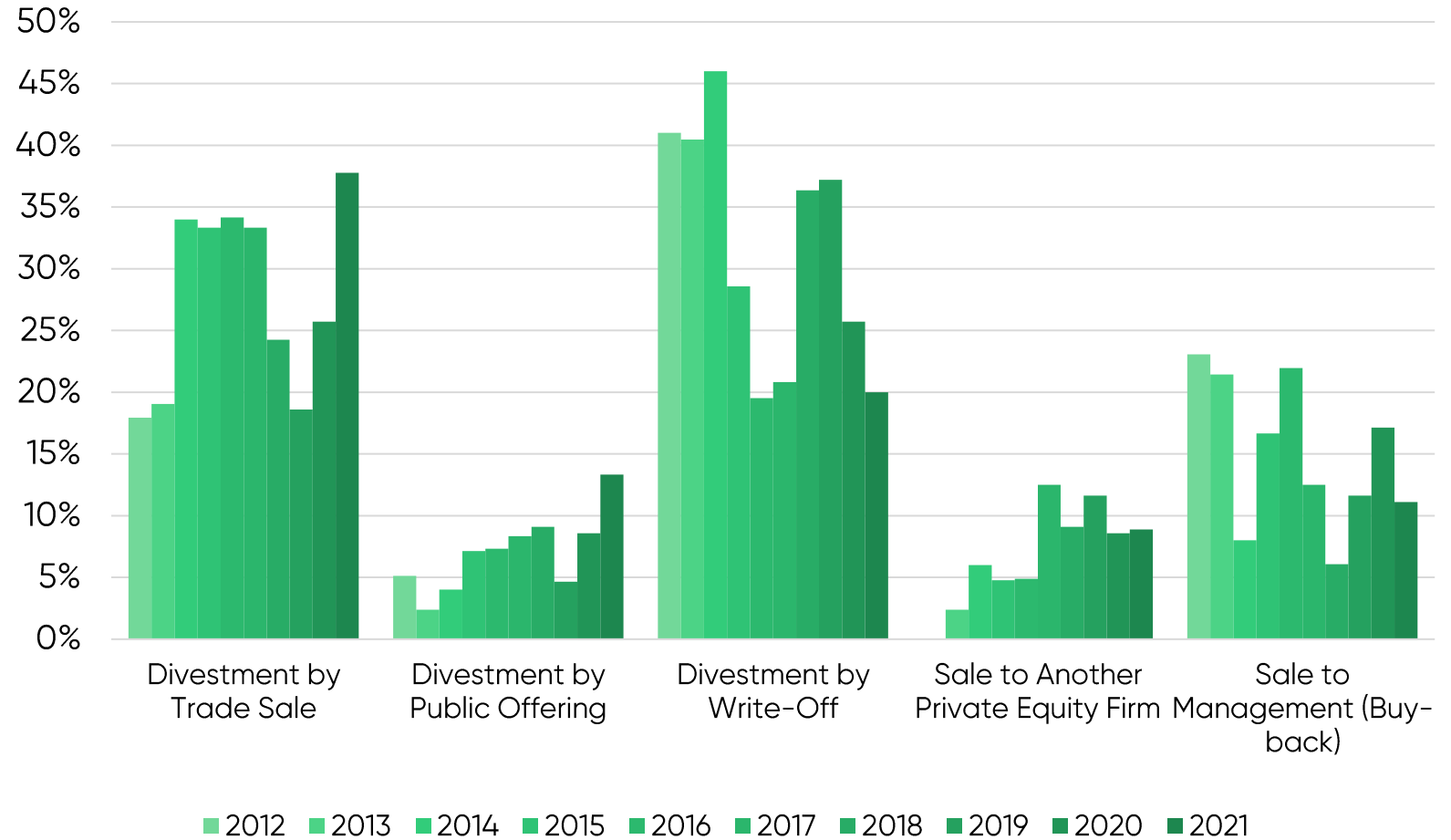
# Divestments by Trade Sale the Most Common Exit Path

public offerings gaining significance as a divestment method

write-offs in historically low levels despite the pandemic

## Divestments by Finnish VC Investors

Nbr companies

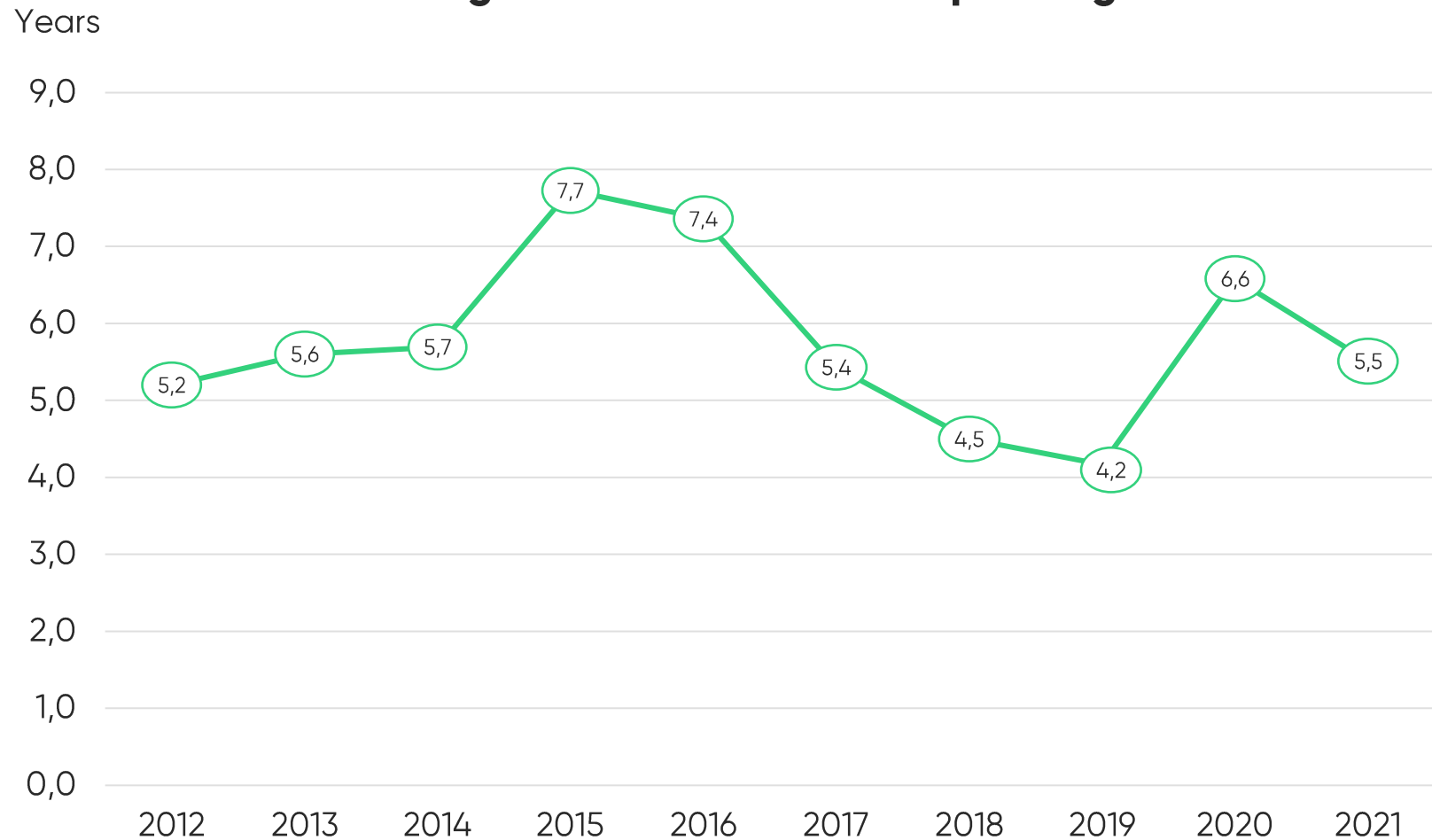


# Average Duration of Ownership at Exit

**5.5 years**

the average duration of venture capital investor's ownership at the moment of exit (2021)

## Average Duration of Ownership during Exit

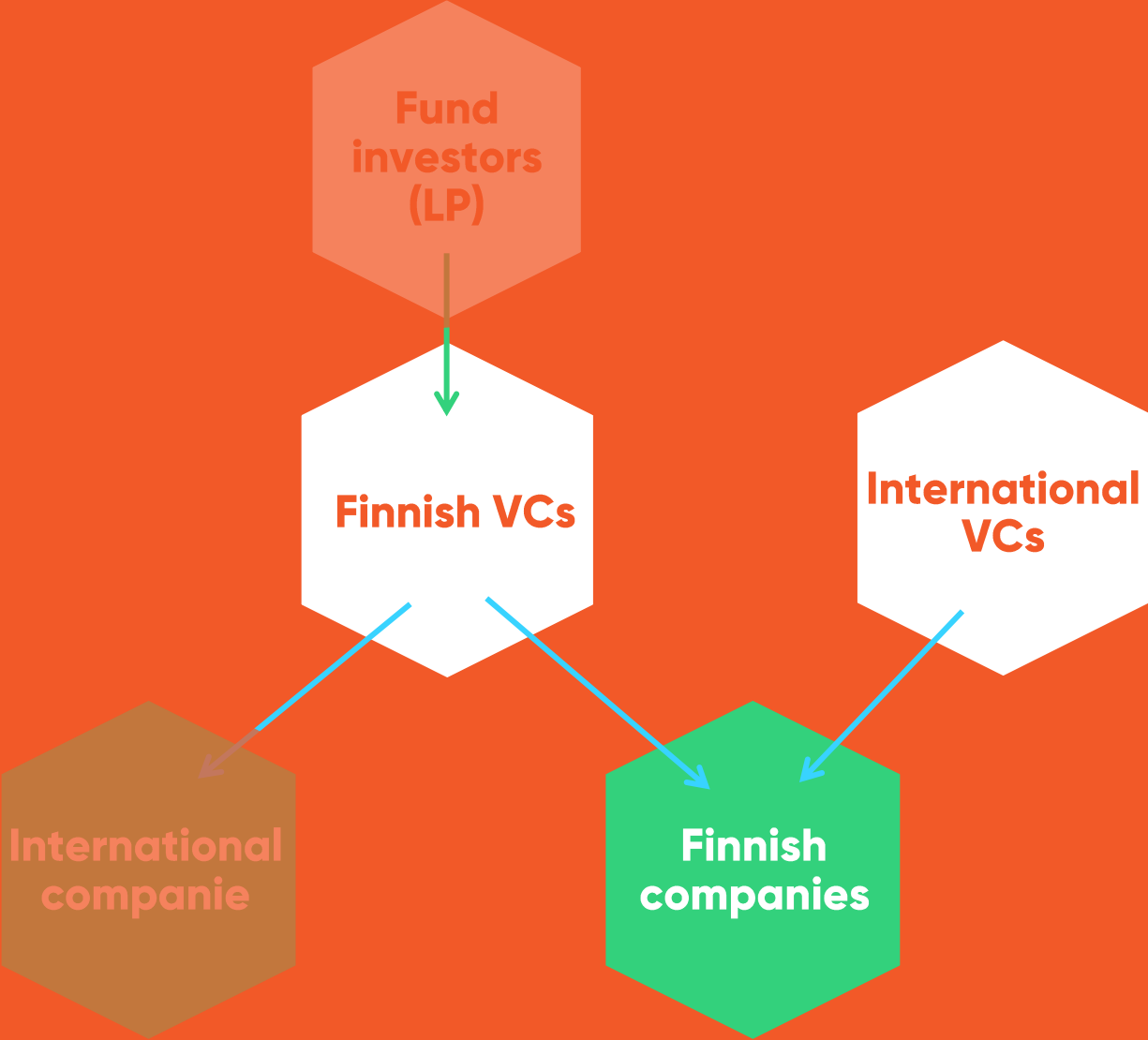


Sources: FVCA, EDC

# Market Statistics

Investments in Finnish startups by Finnish and international investors

# Investments



# VC Investments in Finnish Companies Increased by More Than €270m

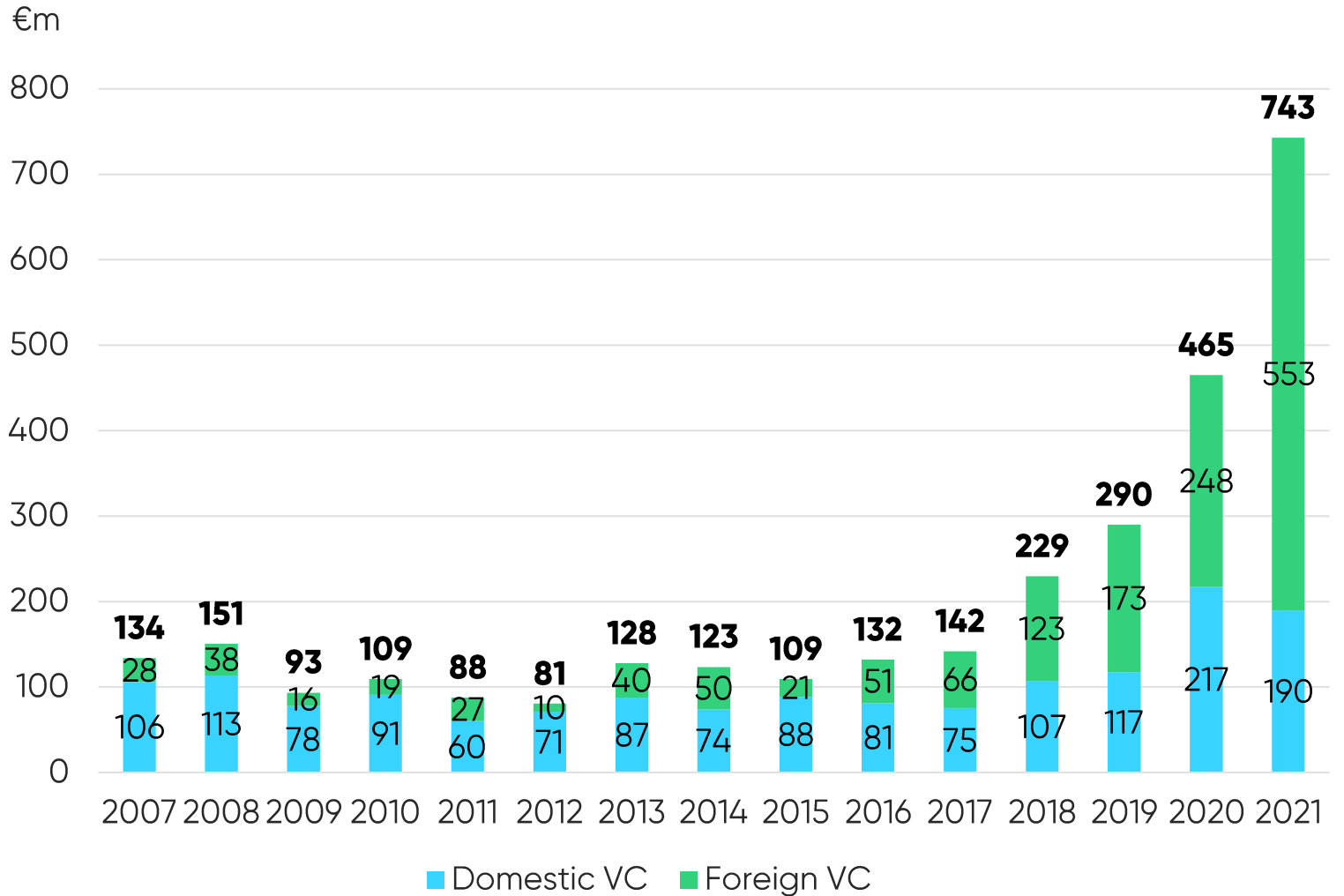
**€743m** (+60 %)

VC investments in Finnish startups in total

**€553m** (+123 %)

the amount of foreign VC investments doubled in a year

## Domestic and Foreign VC Investments into Finnish Companies



# Foreign Venture Capital Investments into Finland on the Rise

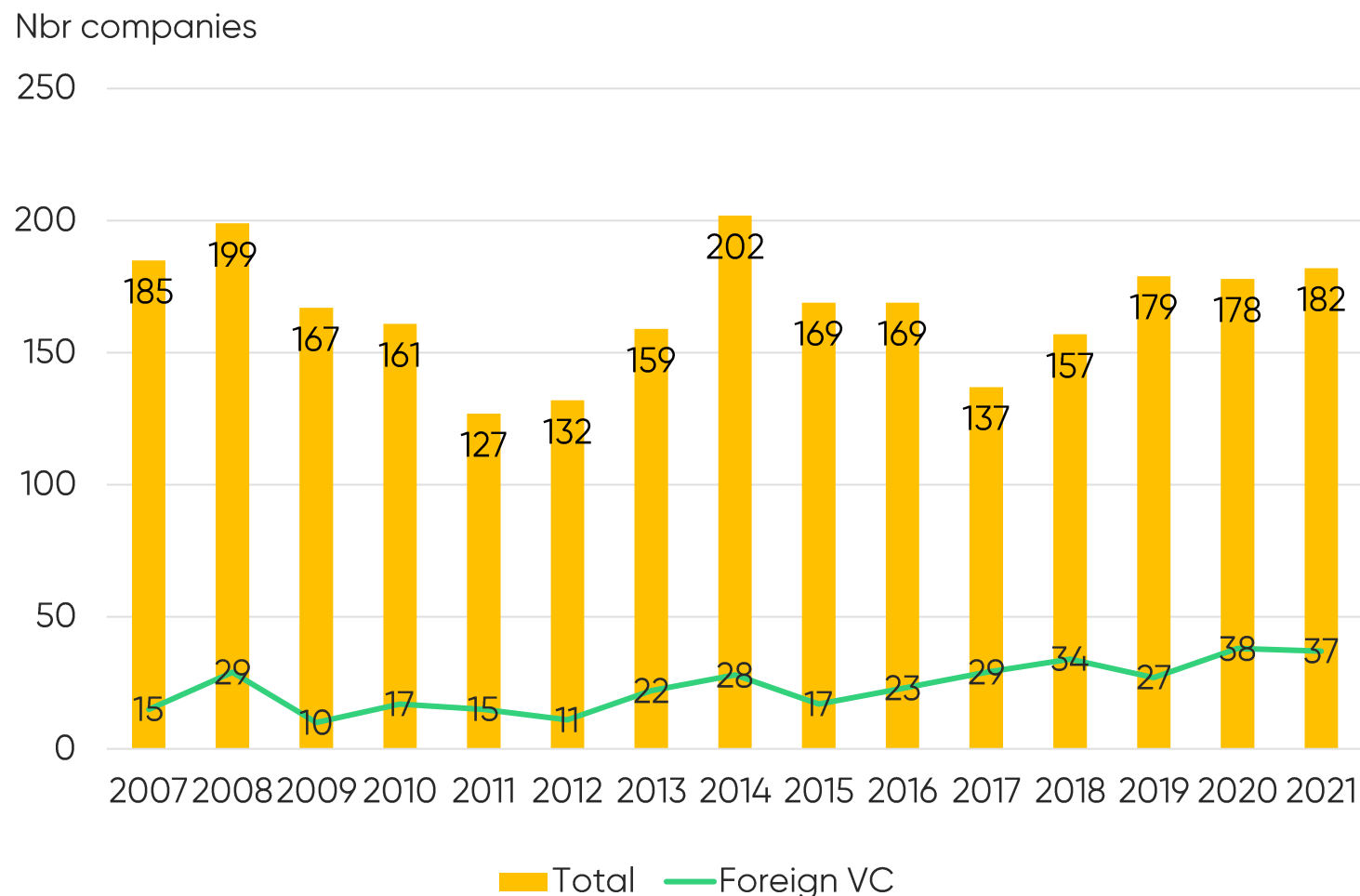
**182 startups**

in Finland received VC investments

**37 startups**

received international VC investments

## VC Investments into Finnish Companies



# Funding Increased in All Investment Stages

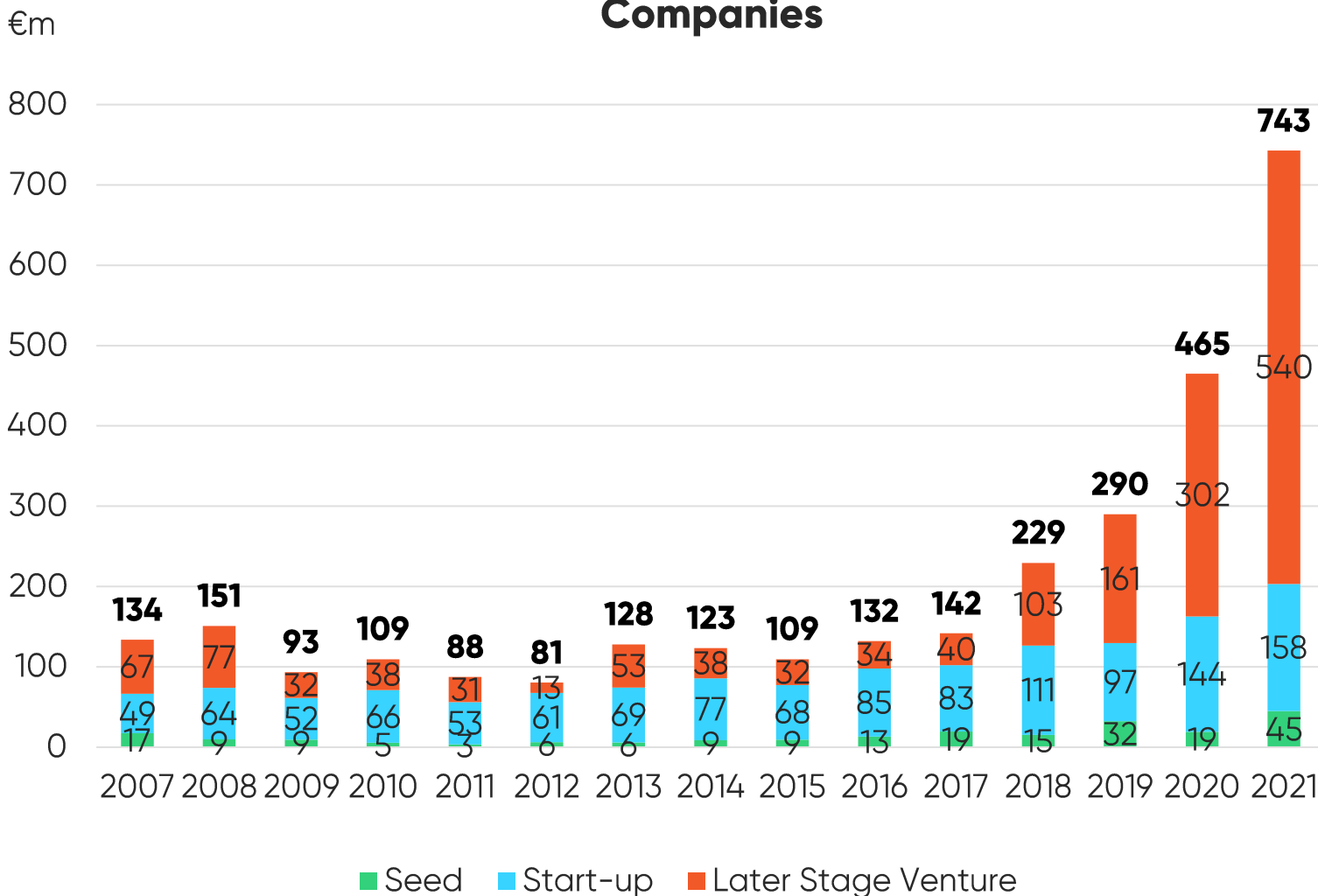
**€540m** (+79 %)

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

**€45m** (+137 %)

seed stage investments grew the most proportionately

## Domestic and Foreign VC Investments into Finnish Companies





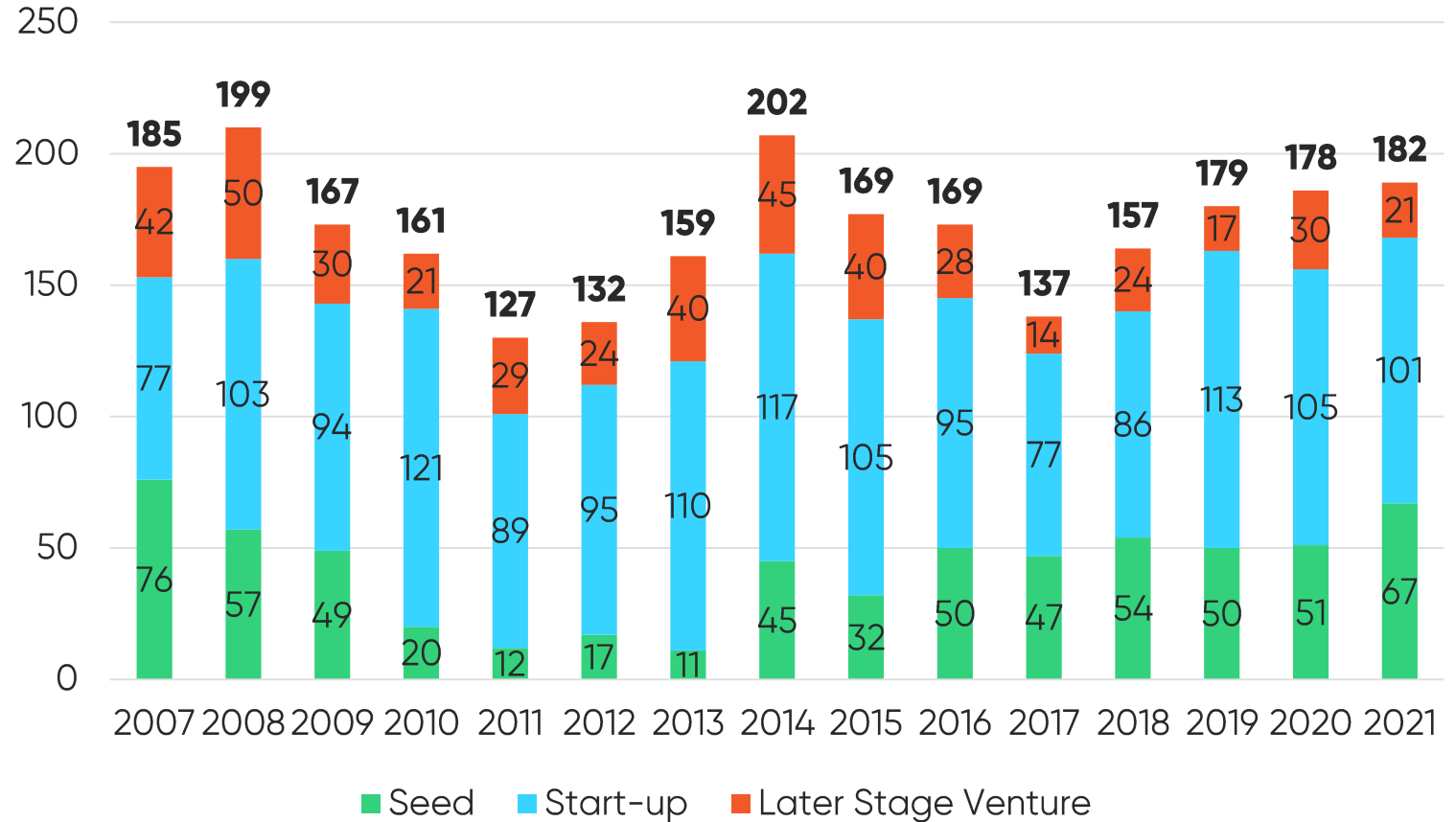
# The Number of Companies That Received Investments Remained at a High Level

**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

## Domestic and Foreign VC Investments into Finnish Companies

Nbr companies



**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.

Sources: FVCA, EDC

# The Average Size of Investments Has Increased

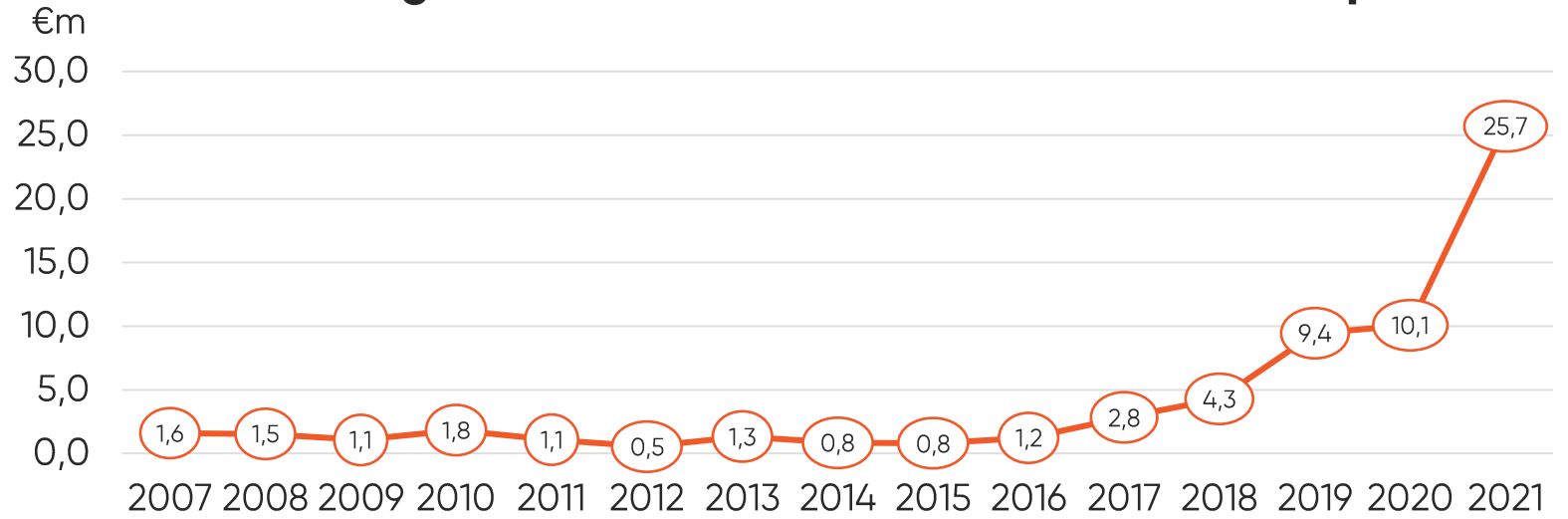
**€4.1m** (+56 %)

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

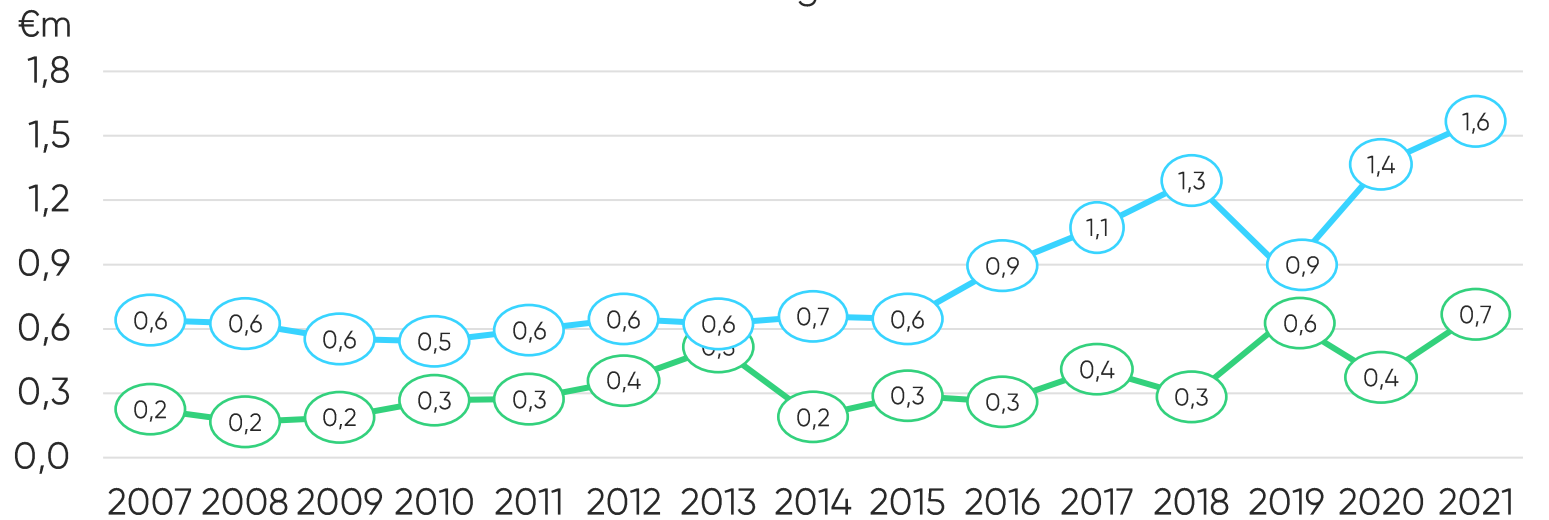
**€25.7m** (+154 %)

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



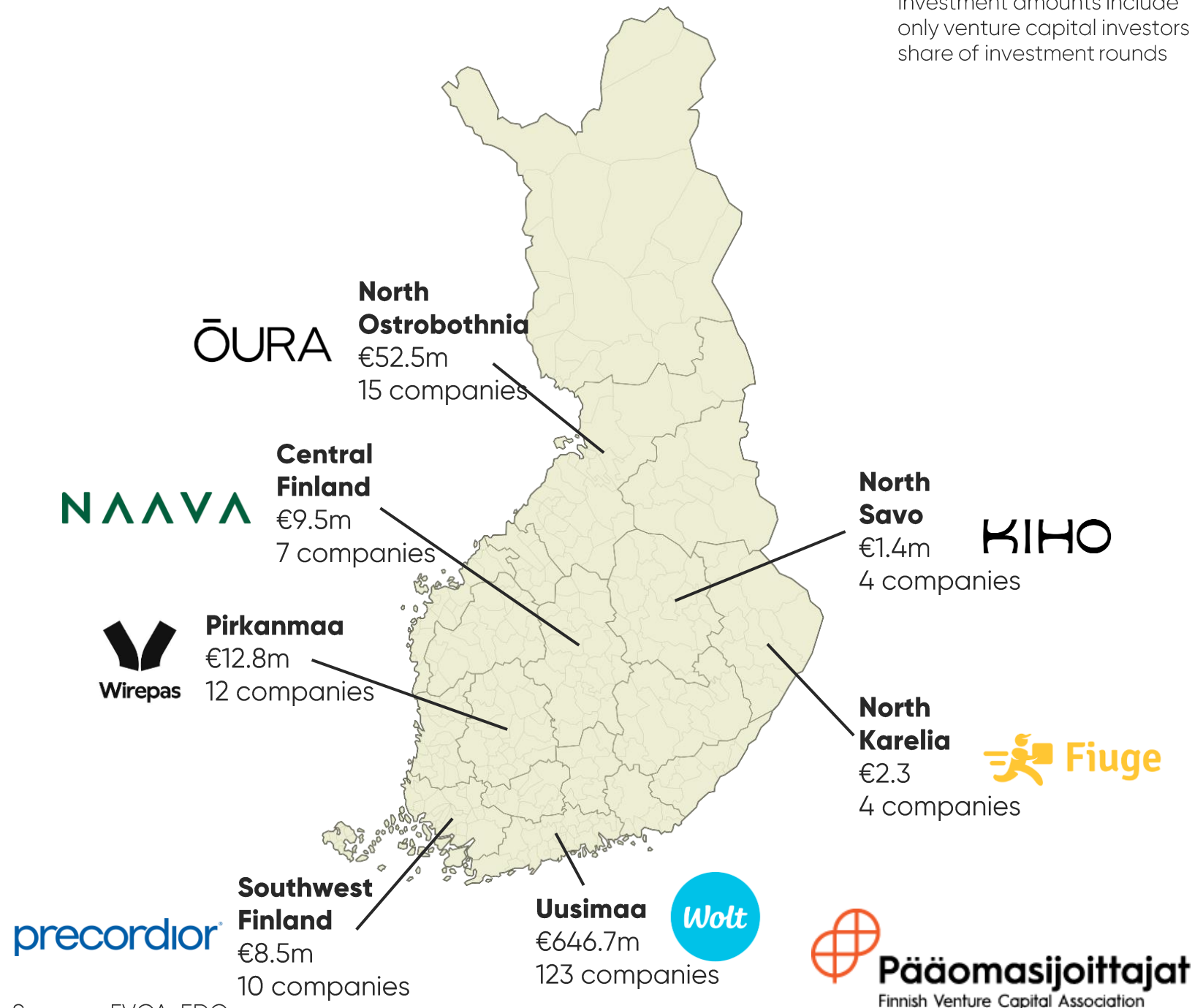
— Seed — Start-up

# VC-Funded Companies Are Found All Over Finland

**€52.5m**

after Uusimaa most investments went to North Ostrobothnia

Investment amounts include only venture capital investors share of investment rounds



Sources: FVCA, EDC

# Most Investments in ICT Companies

**49 %**

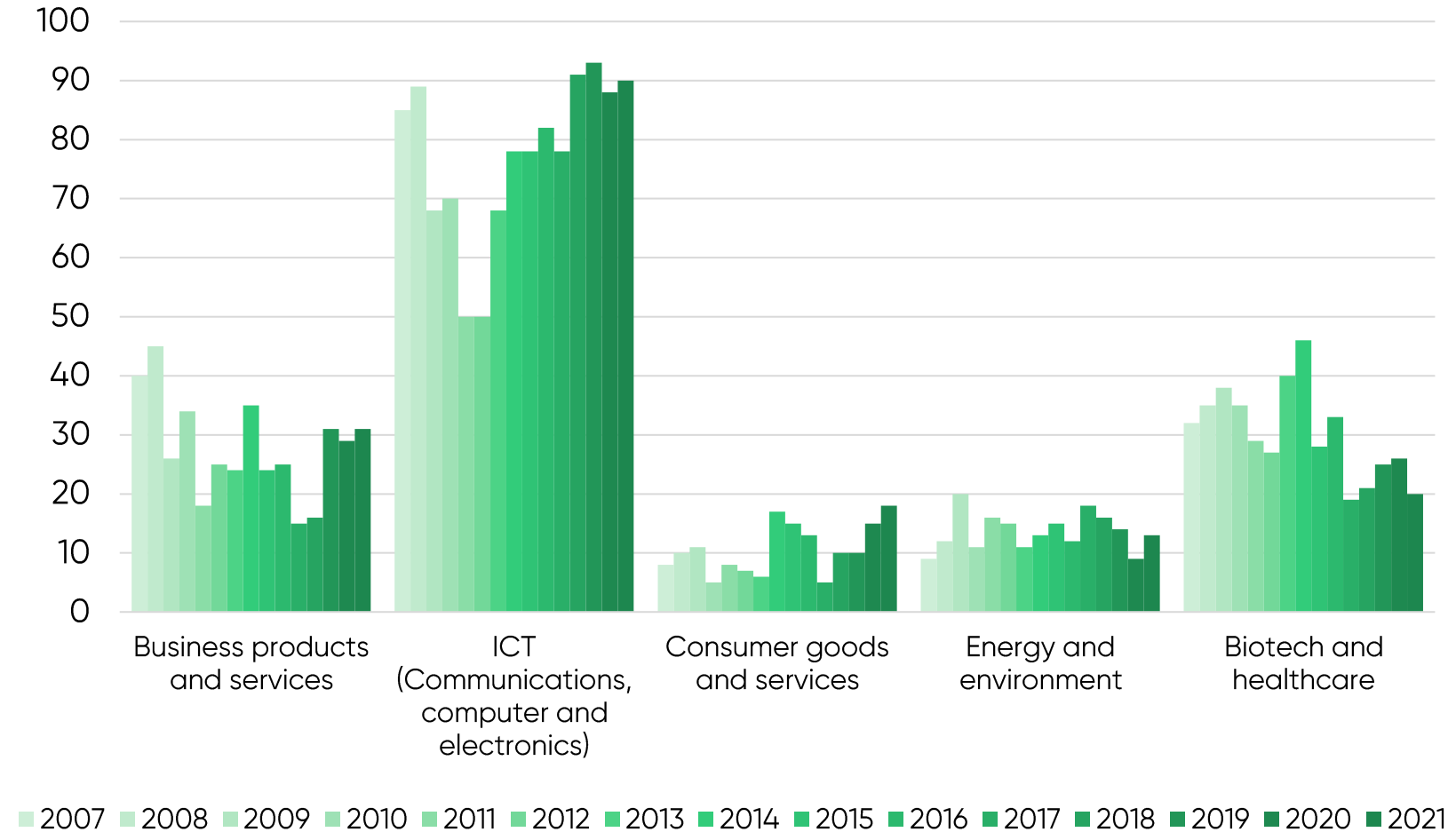
of investments were made in ICT companies in 2021

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

investments in consumer goods and services are increasing

## VC investments in Finnish Companies by Industry

Nbr companies



# Divestments

# More Positive Divestments from Finnish Companies

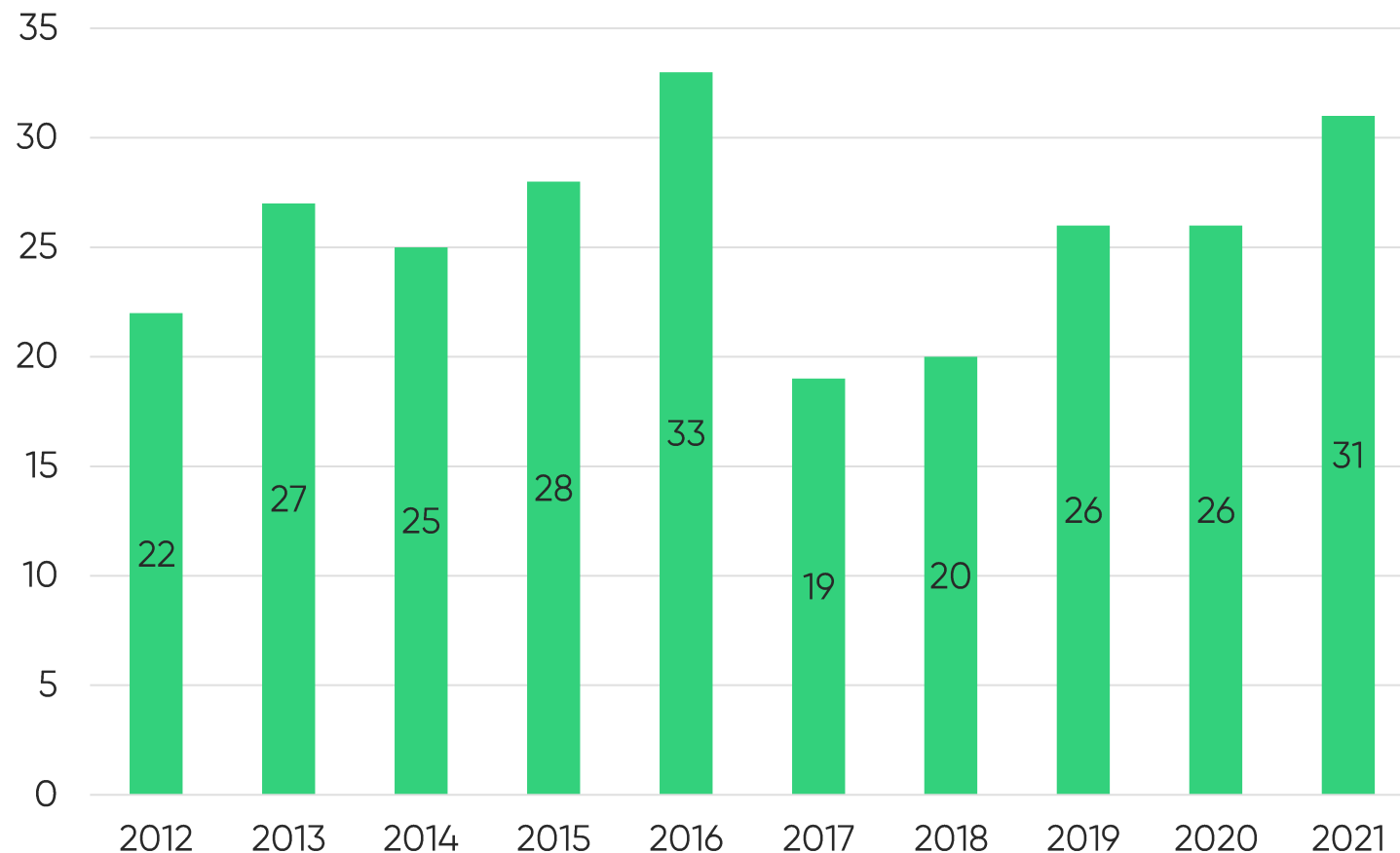
**31 companies** (+19 %)

Got a new owner when VC investor exited the company

number of positive exits has increased in the recent years

## Successful divestments from Finnish Companies by VC Investors

Nbr companies



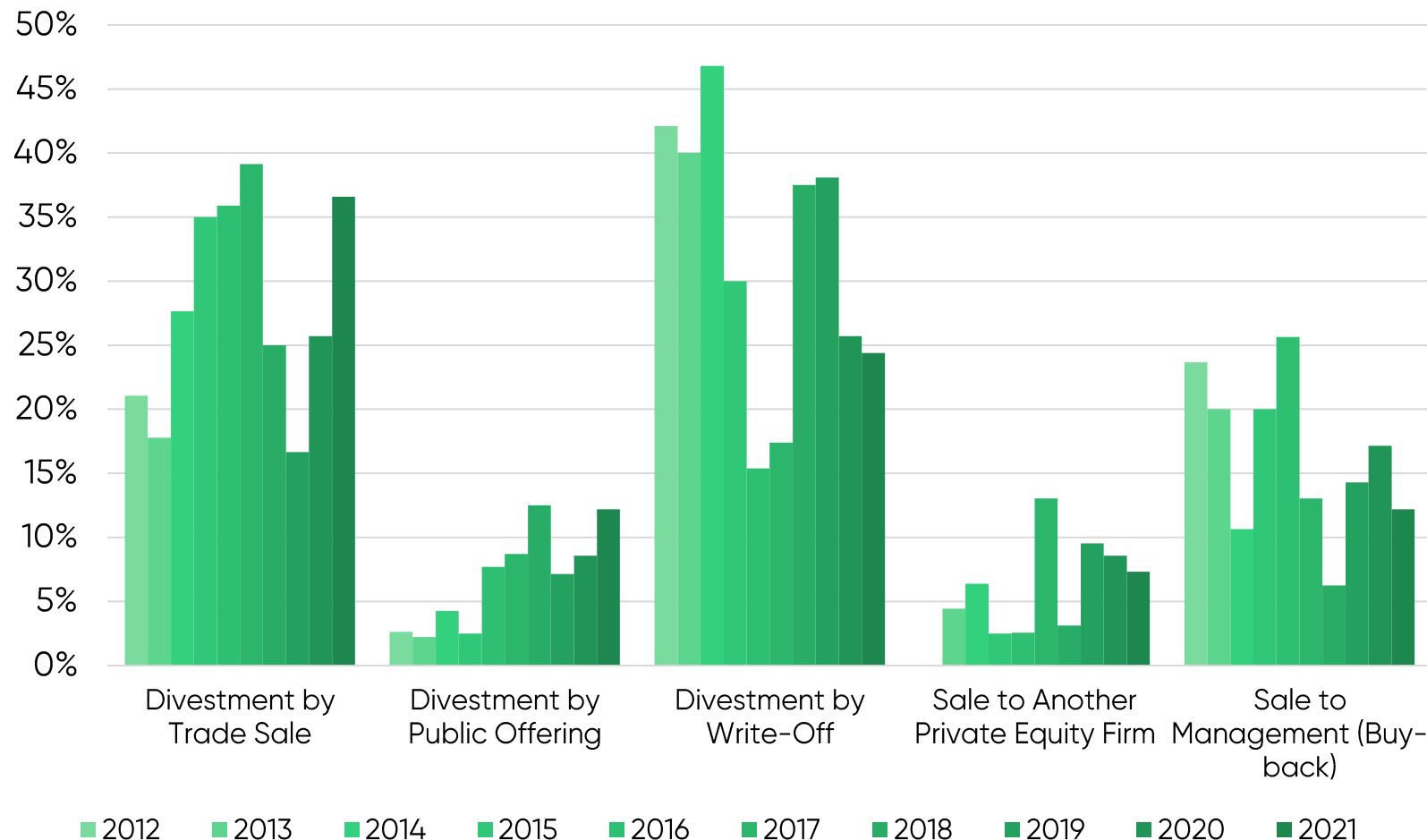
## Divestments by Trade Sale the Most Common Exit Path

public offerings have continued to be a significant option for an exit

write-offs in historically low levels despite the pandemic

### Divestments from Finnish Companies by VC Investors

Nbr companies

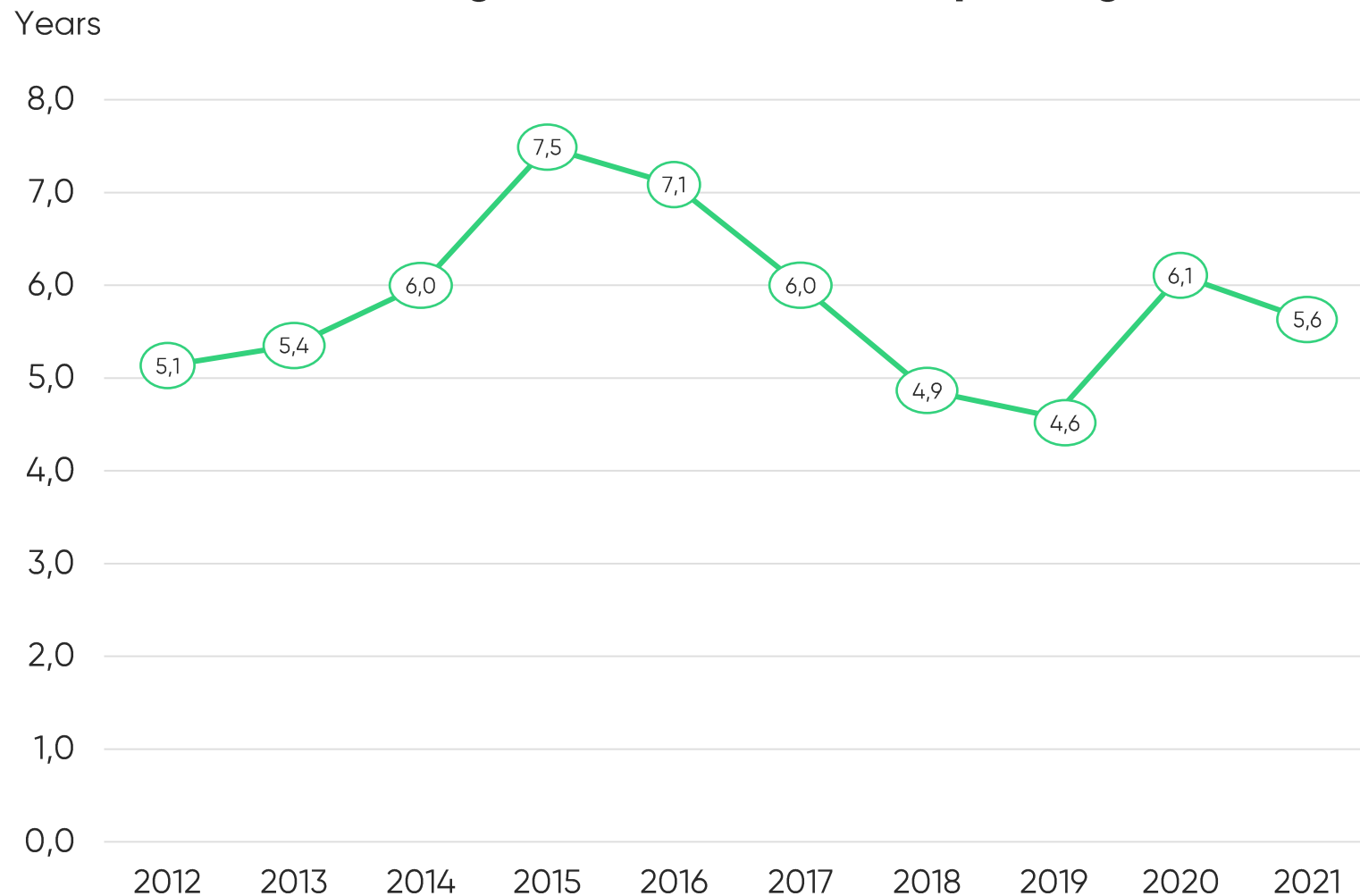


# Average Duration of VC Investor Ownership at Exit

**5.6 years** (-8 %)

average duration of venture capital investors' ownership at the time of exit (2021)

## Average Duration of Ownership during Exit





# Early-Stage Funding in Total

# €1.2 Billion Invested in Finnish Startups

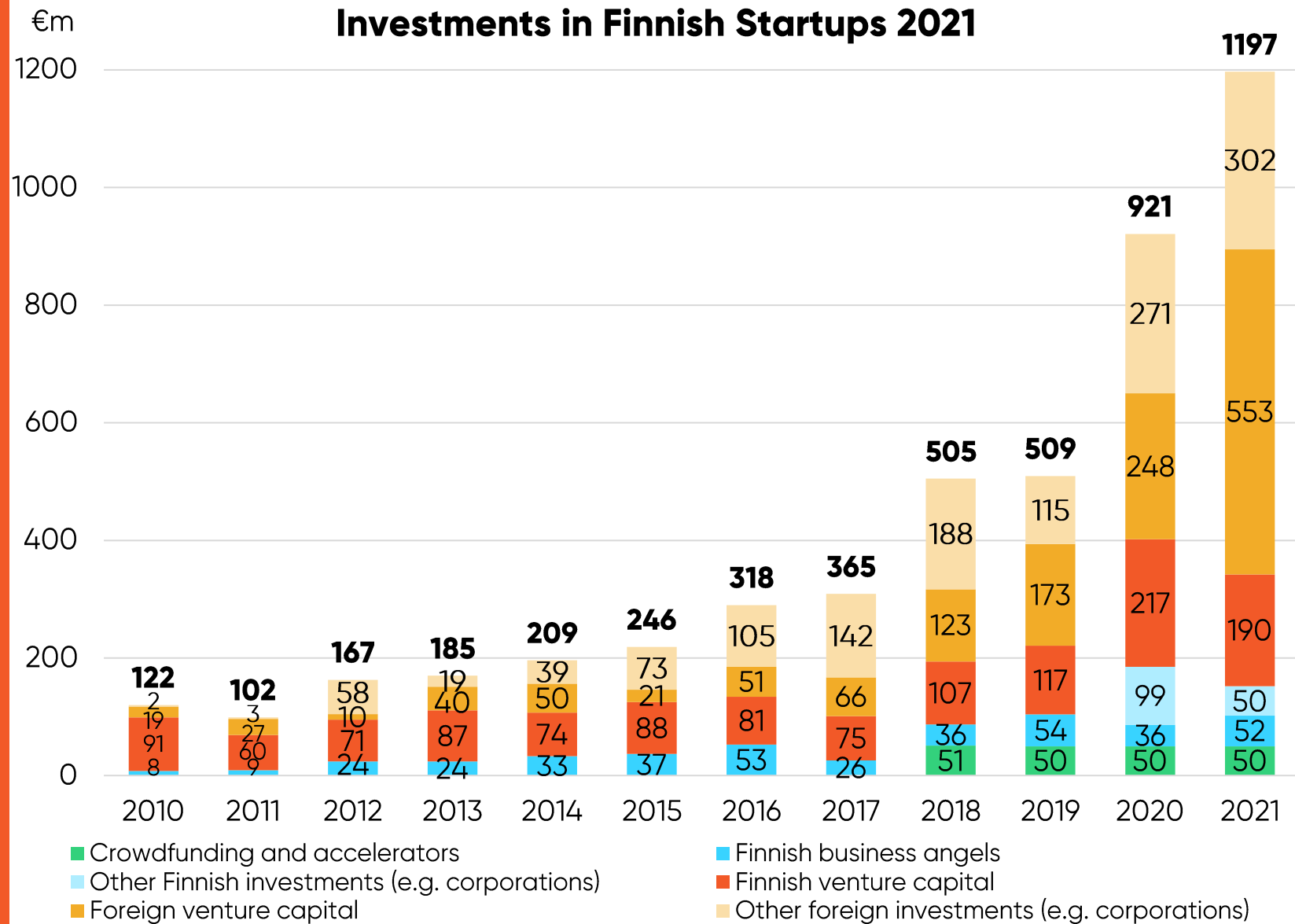
**€855m**

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

**€743m**

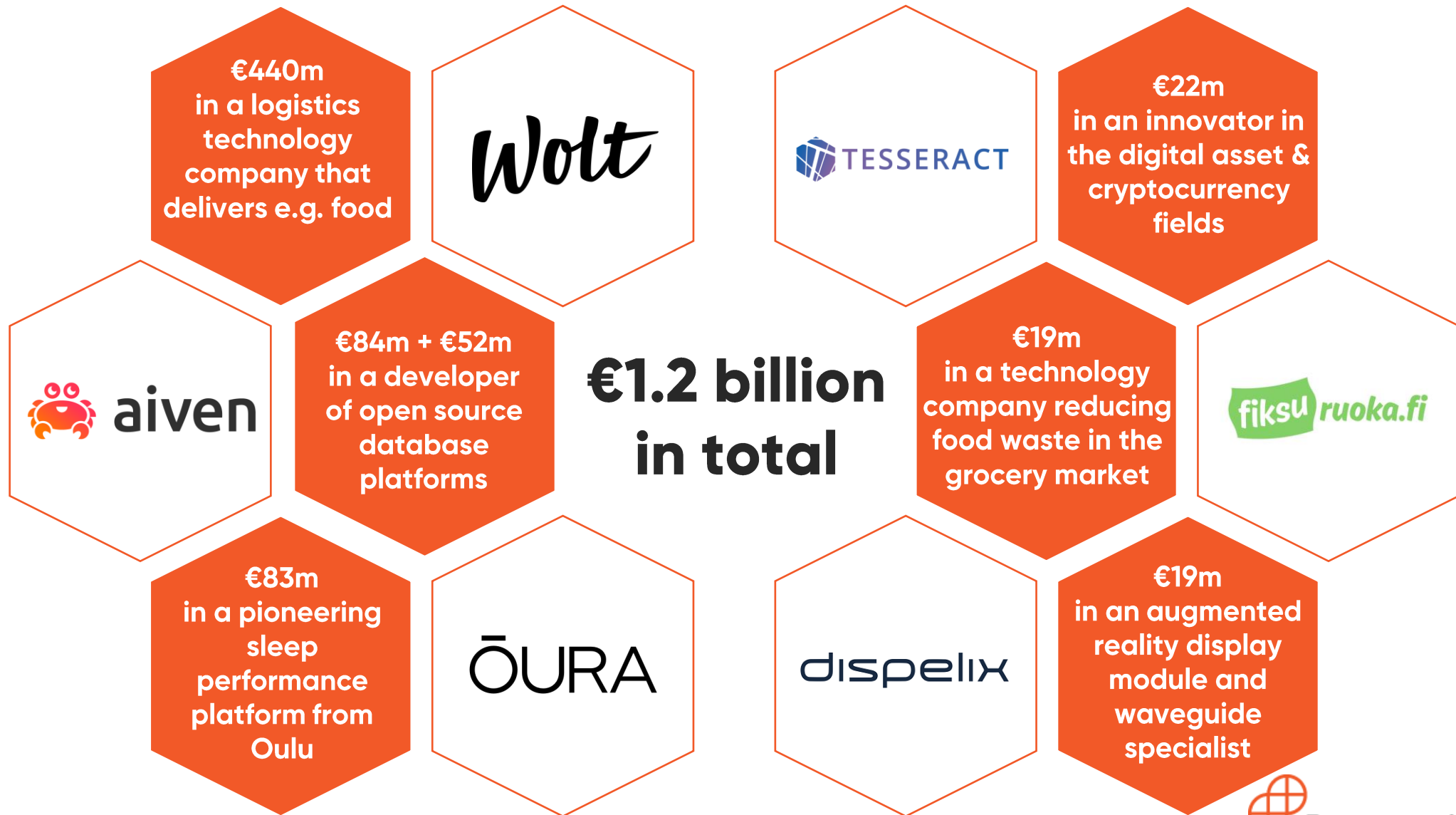
the most significant investor group was domestic and foreign venture capital investors

the amount invested by foreign VCs doubled in a year









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

# Highlights of the 2021 Startup Investments



# The Biggest Funding Rounds in Finnish Startups

1.	 RELEX	€500m*	2022	6.		€110m	2019
2.		€440m	2021	7.		€100m	2020
3.		€195m	2020	6.		€98m	2013
4.	 RELEX	€175m*	2019	9.		€92m	2022
5.		€120m	2022	10.		€86m	2018
				11.		€85m	2022
				12.	 aiven	€84m	2021
				13.		€83m	2021
				14.		€74m	2020
				15.		€67m*	2021

# Methodology



# The Following National Private Equity Associations Are Cooperating With EDC

AFIC, France

AIFI, Italy

ASCRI, Spain

BVA, Belgium

BVCA, United Kingdom

BVK, Germany

CVCA, Czech Republic

DVCA, Denmark

FVCA, Finland

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 VC/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. 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).

# 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
	Buyouts	Management buyout (MBO), Management buy-in (MBI), Public to private, Other PIPE, Other leverage buyout