



Pääomasijoittajat

Finnish Venture Capital Association

Venture Capital in Finland 2022

Statistics on fundraising, investments, and divestments



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Venture Capital (VC) in Finland

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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

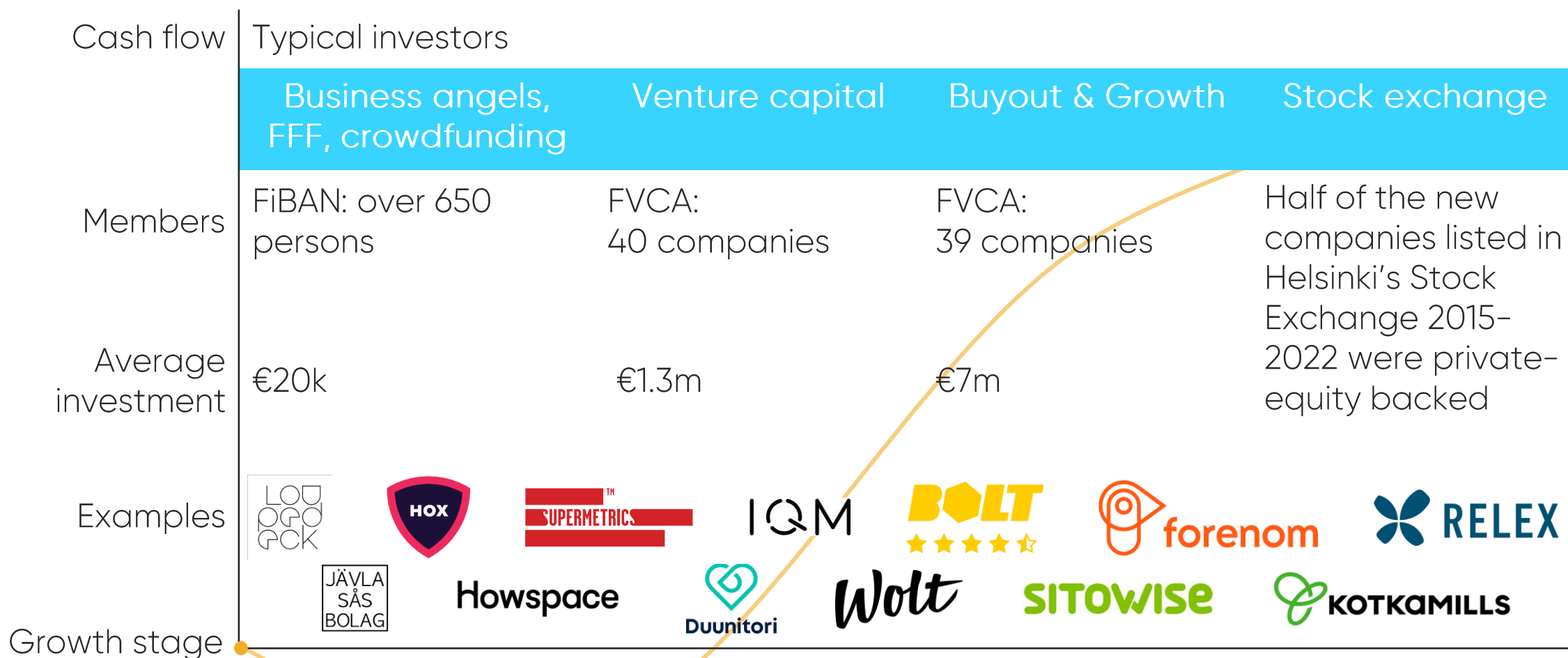
**2 203 Portfolio companies
in Finland**

83 000 in Europe

**9 265 Transactions
in Finland**

308 000 in Europe

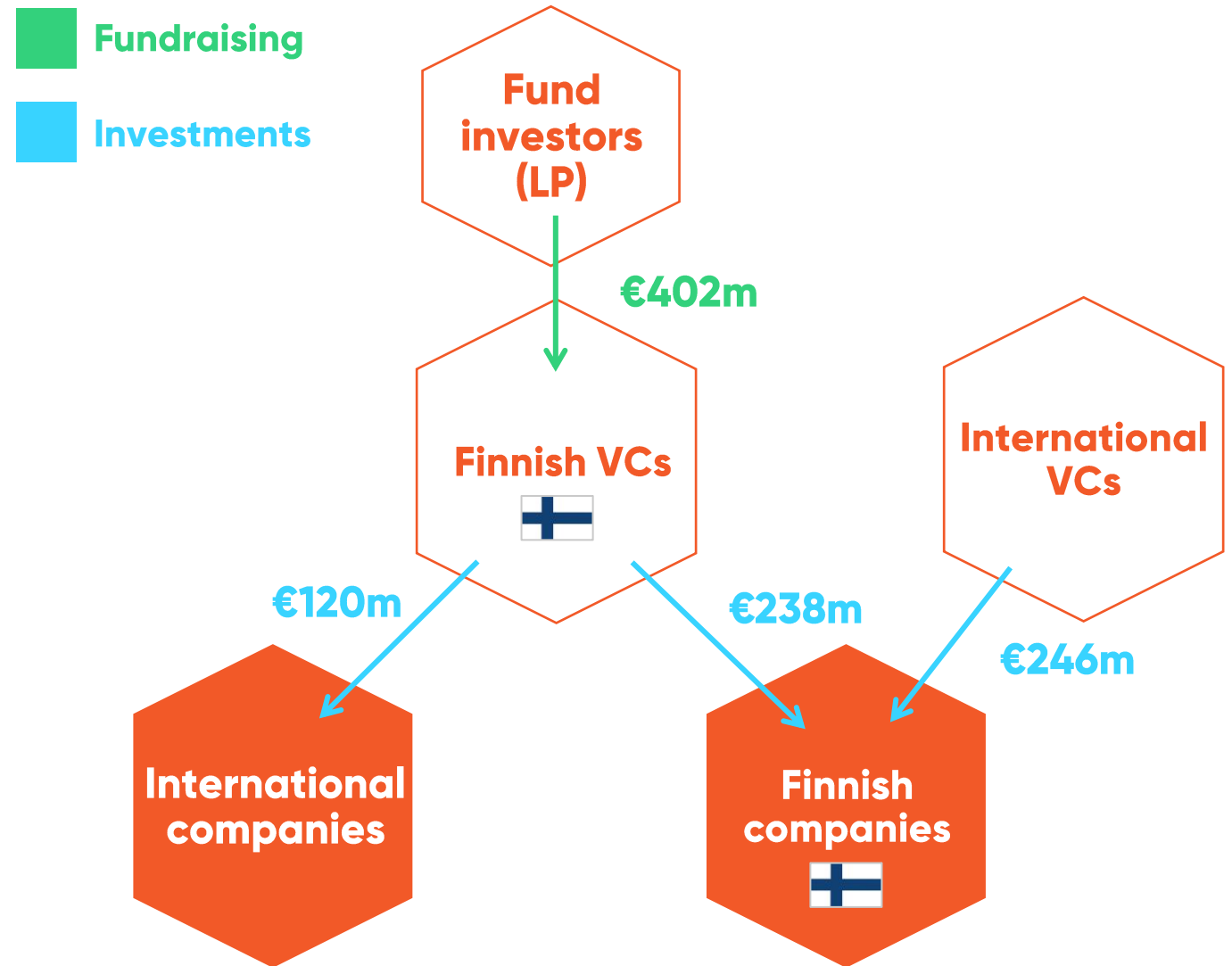
Private Equity Investors by Stage



Venture Capital (VC) 2022

both the investments by Finnish VC investors and the funding raised by Finnish startups reached new records in 2022

In addition, growth-stage investors were also active and invested in a total of €549m in Finnish early-stage companies in 2022



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

Venture Capital (VC) 2022

Statistics in brief

- Finnish VC funds raised a record amount of new funds in 2022, a total of **€402m** (+50%) to be invested in startups in the future.
- Finnish startups received **€484m** (+13%) in VC investments, of which **€238m** (-2%) came from Finnish investors and **€246m** (+35%) from foreign investors.
- Altogether, **184** Finnish startups received a venture capital investment.
- In addition, **14** Finnish companies received a historical **€549m** (+20%) in growth-stage investments from Finland and abroad.
- Finnish VCs invested a record total of **€358m** (+22 %) in **276** (+11%) domestic and foreign startups.
- Finnish VCs invested a total of **€120m** (+2%) in startups outside Finland – also a new record.

NEW

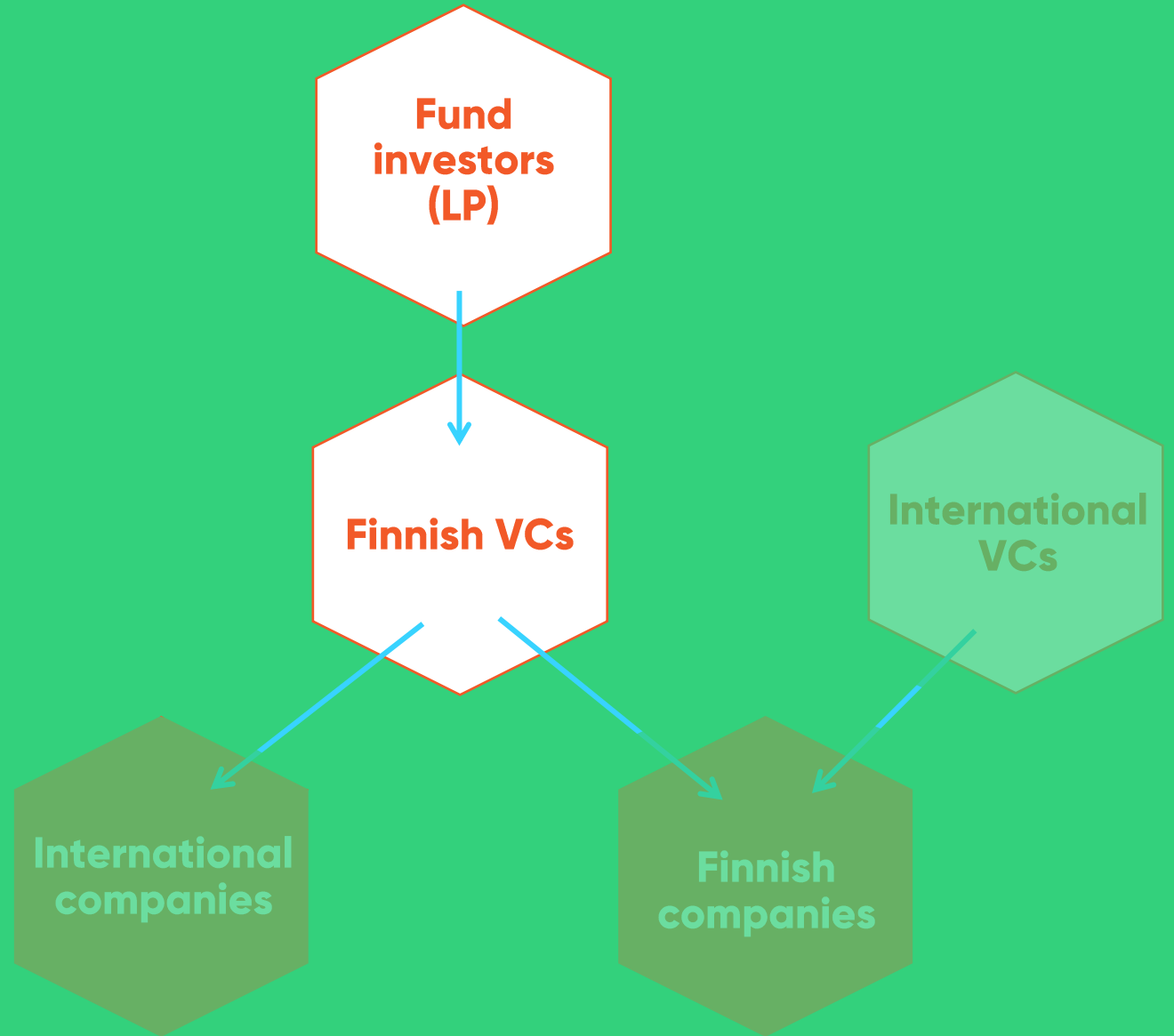
Growth Investments in Startups Included in the Statistics

- For the first time, the statistics include growth investments in startups ("VC-growth") to give a more complete picture of the Finnish startup ecosystem's development
- As Finnish startups have grown, more and more funding has been raised from growth-stage investors, who traditionally make minority investments in relatively mature companies
- Growth investments in Finnish startups rose to a new level during 2021-2022. For these years, VC-growth investments have been added to selected graphs in the report
- A more comprehensive analysis of the VC-growth investments will be provided in the next report

Industry Statistics

Finnish VC activity in Finland and abroad

Fundraising



Record-High Fundraising by Finnish VCs

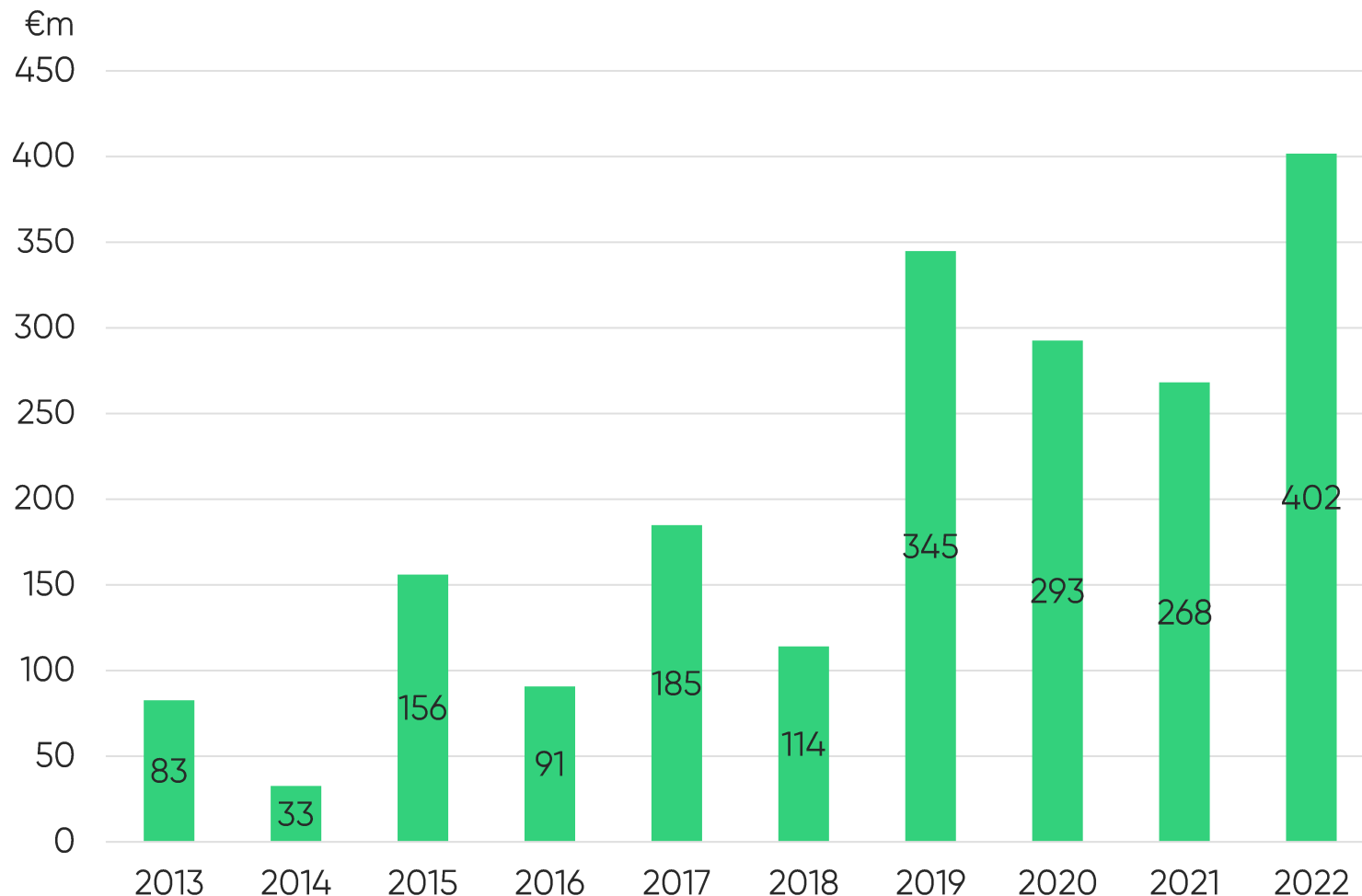
€402m (+50 %)

of new funds raised by Finnish VCs in 2022

Innovestor Life Science and FOV Ventures published their first funds

new funds were published also by Wave Ventures, Butterfly Ventures and Inventure

Fundraising of Finnish VC Funds



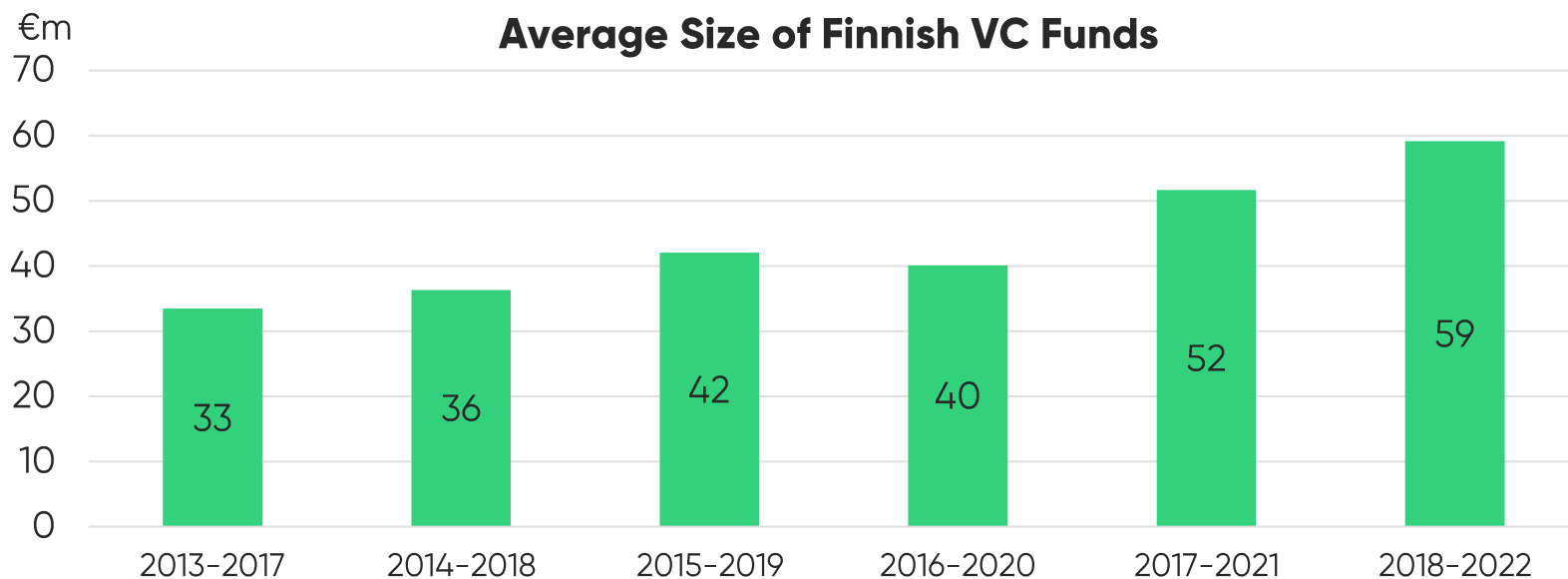
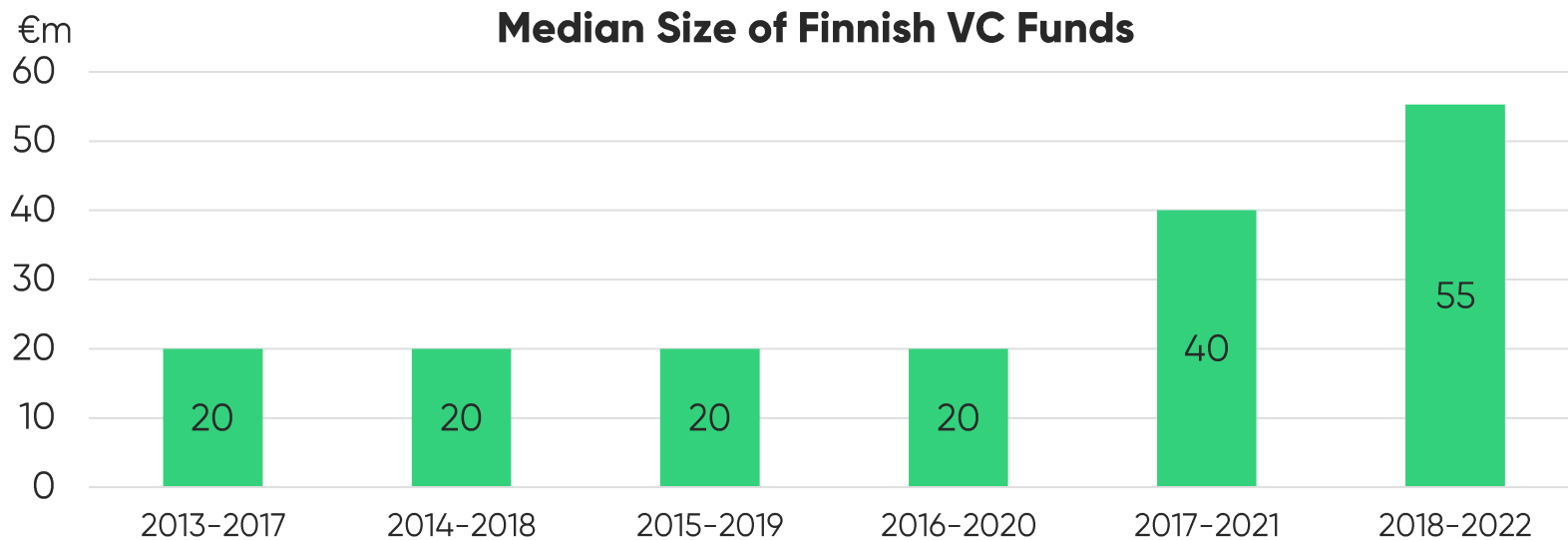
Development of Finnish VC Funds' Size

€55m (+38 %)


































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

€59m (+13 %)

also the average fund size increased



18 New Venture Capital Teams in Finland in Six Years

	2017	2018	2019	2020	2021	2022
VC-Funds II+	  	 ≥ INNOVESTOR	 	    ≥ INNOVESTOR	  	   
New VC-Teams	 	   MetsäSpring	    	   		≥ INNOVESTOR 

* Growth-stage investor
 x NGP Capital's HQ in the US – not included in the statistics

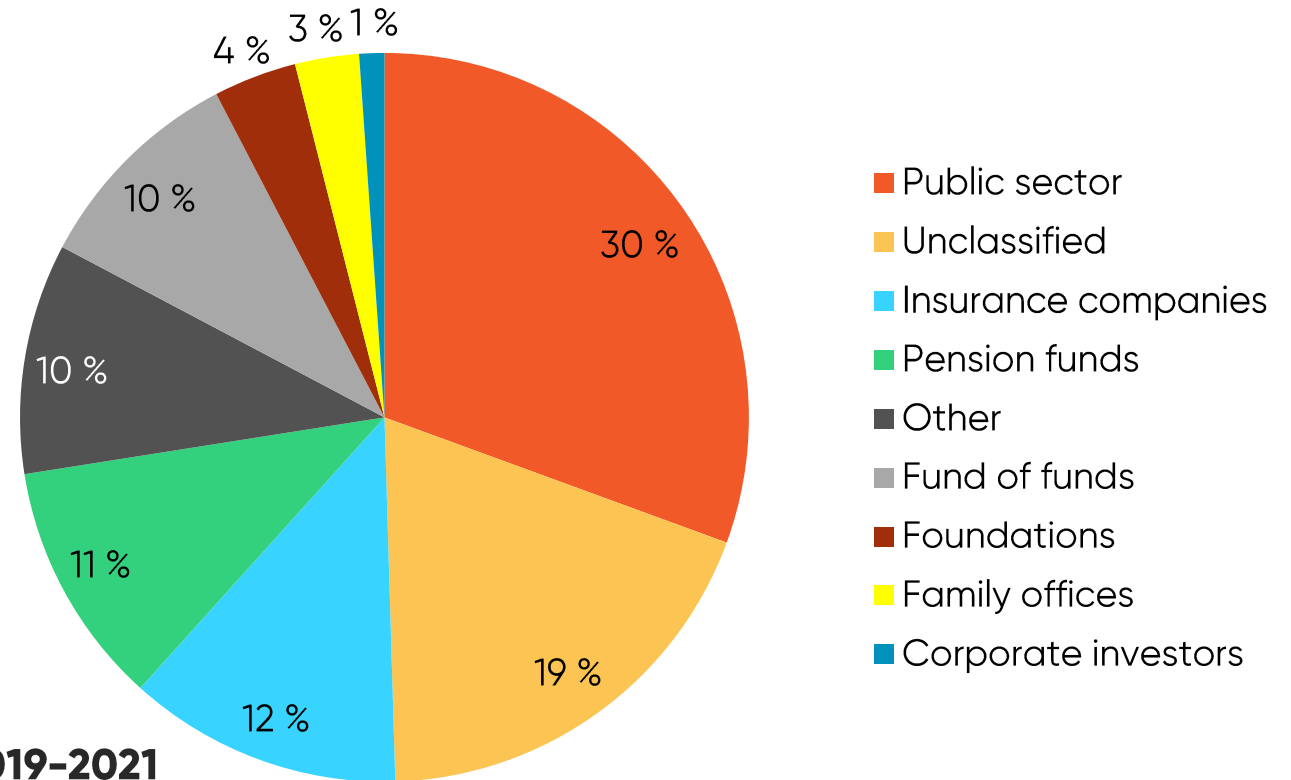
VCs Raise Funds from Several Sources

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

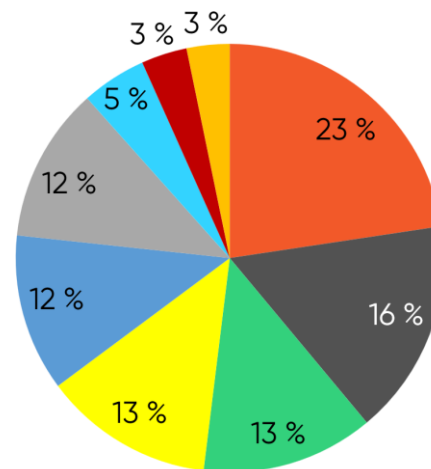
almost a third of the capital raised is from public sector investors in 2022

the next largest investor group in VC funds are insurance companies and pension funds

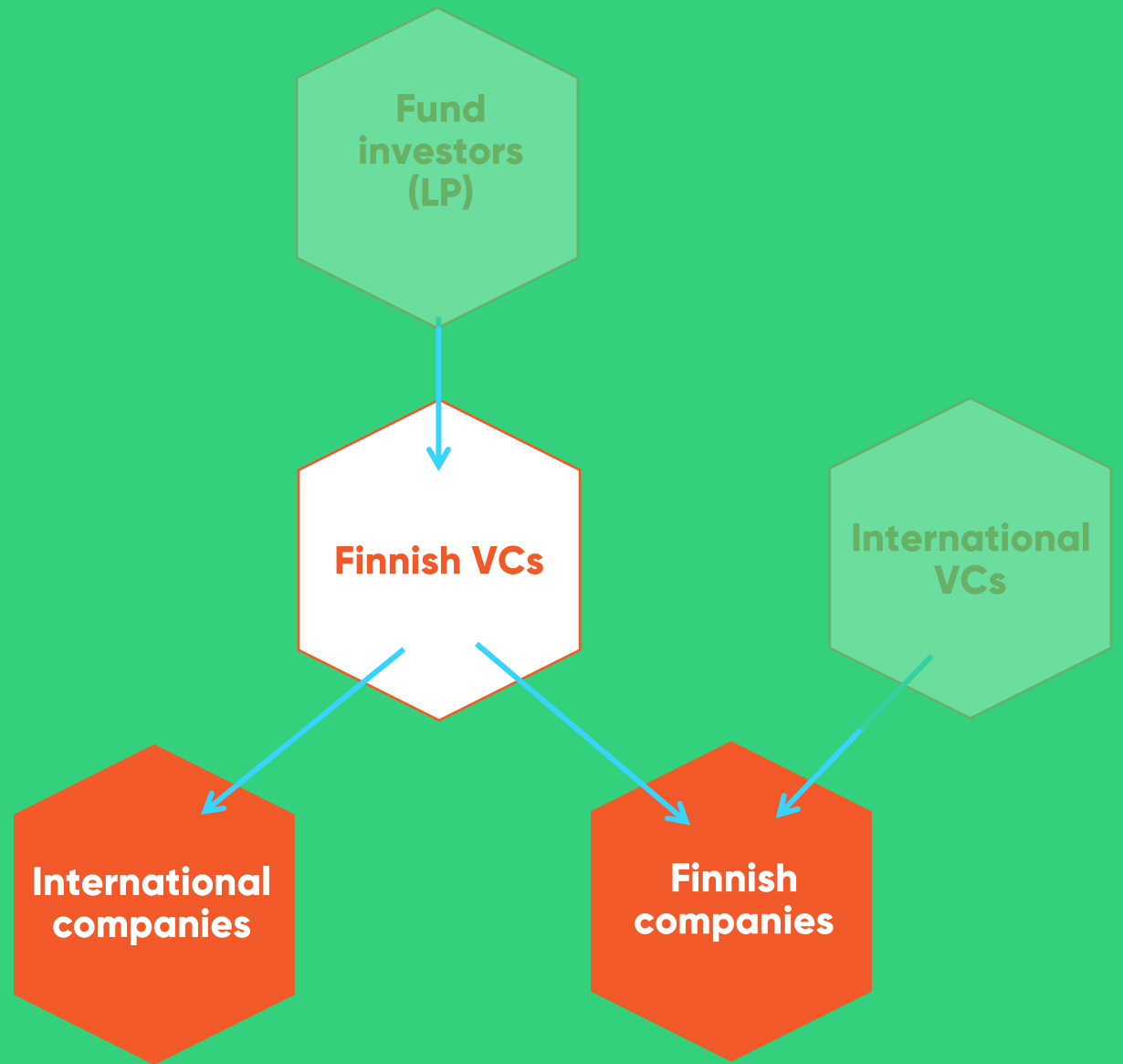
Sources of Funds 2022



2019-2021



Investments



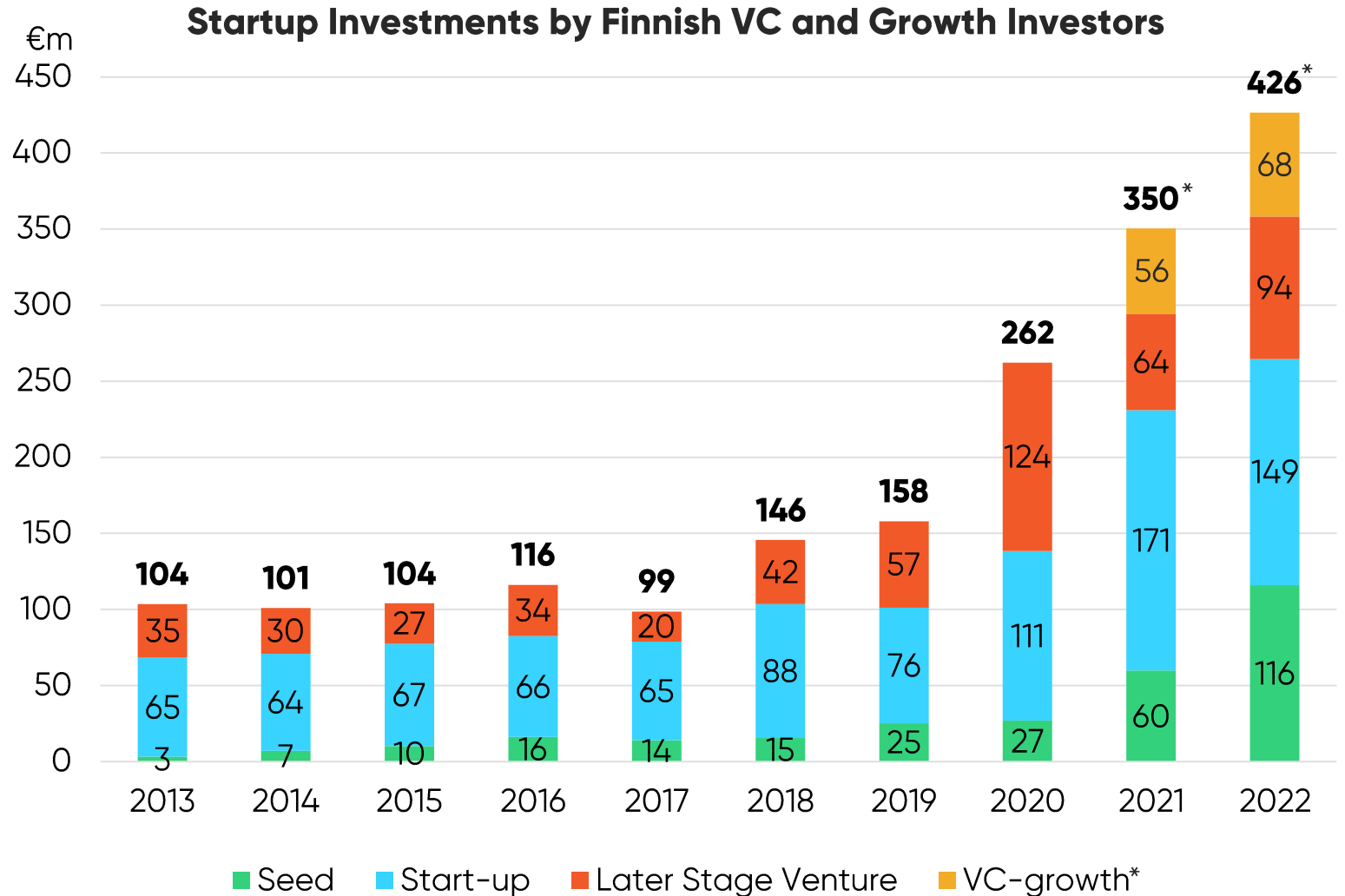
A Record Sum of Finnish VC and Growth Investments in Startups

€426m (+22 %)

the total amount invested by Finnish VC and growth investors into domestic and foreign companies

€116m (+93 %)

seed-stage investments rose to a new record in 2022

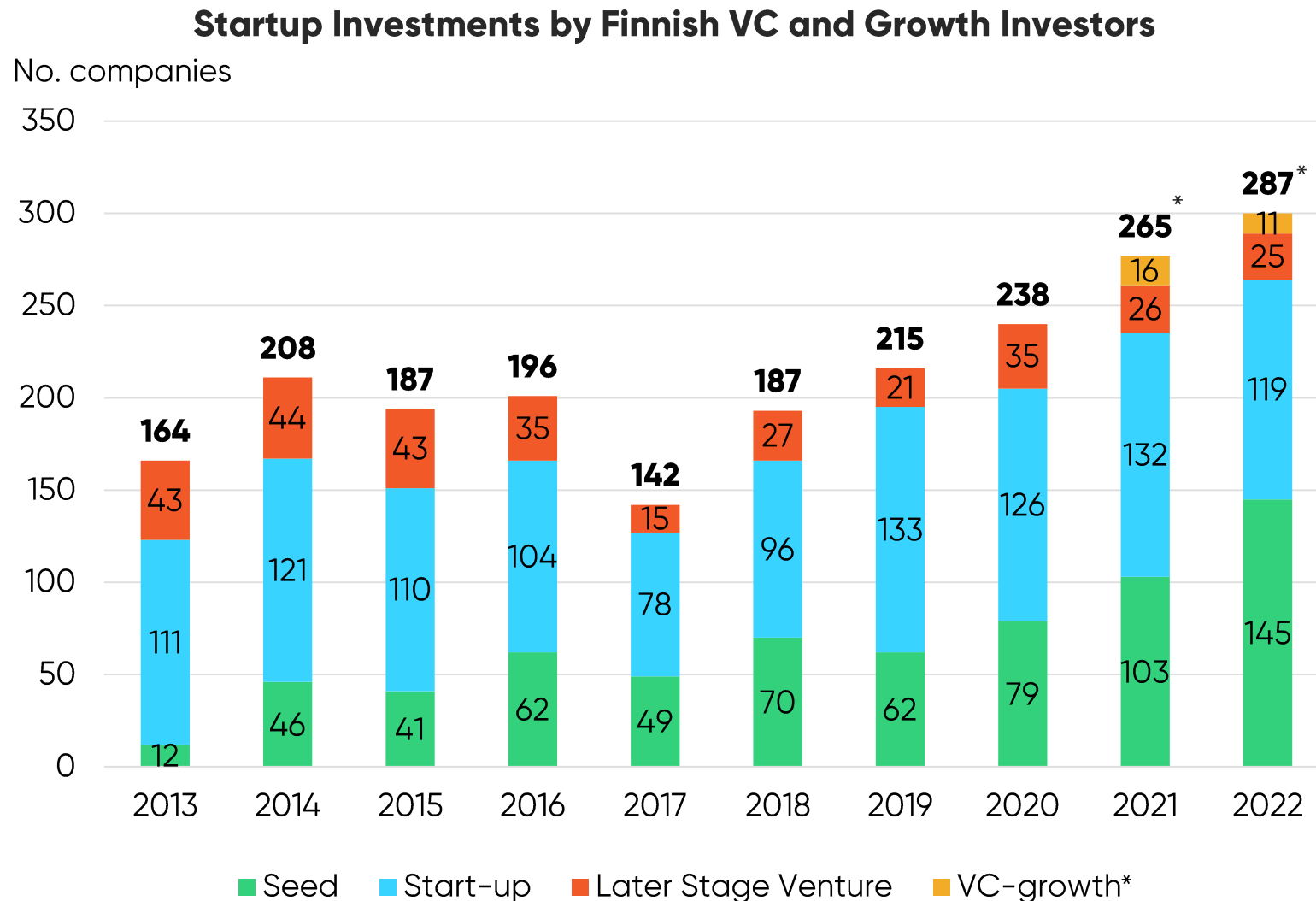


*VC-growth figures added for 2021-2022. More information on slide 7.

Number of Companies Invested in Reached New Record

287 companies (+8 %)
received investments from
Finnish VCs and growth
investors in 2022

145 seed-stage companies
(+41 %)
record number of seed-stage
companies received funding



*VC-growth figures added for 2021-2022. More information on slide 7.

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

Record Foreign Investments by Finnish VCs

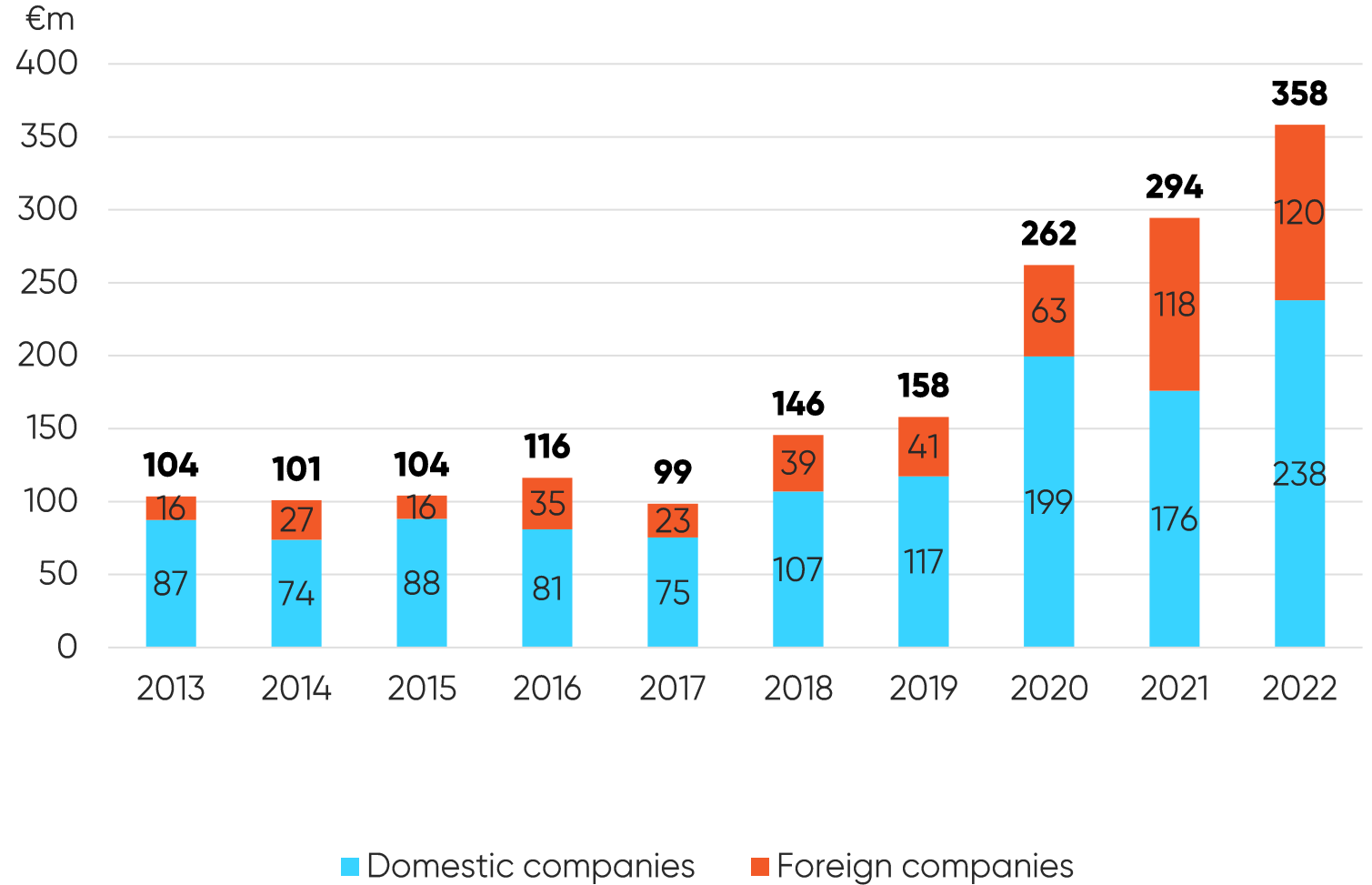
120 M€ (+2 %)

investments into foreign companies by Finnish venture capital investors in 2022

34 %

foreign companies received one third of all capital invested by Finnish VCs

Investments in Domestic and Foreign Companies by Finnish VC Investors



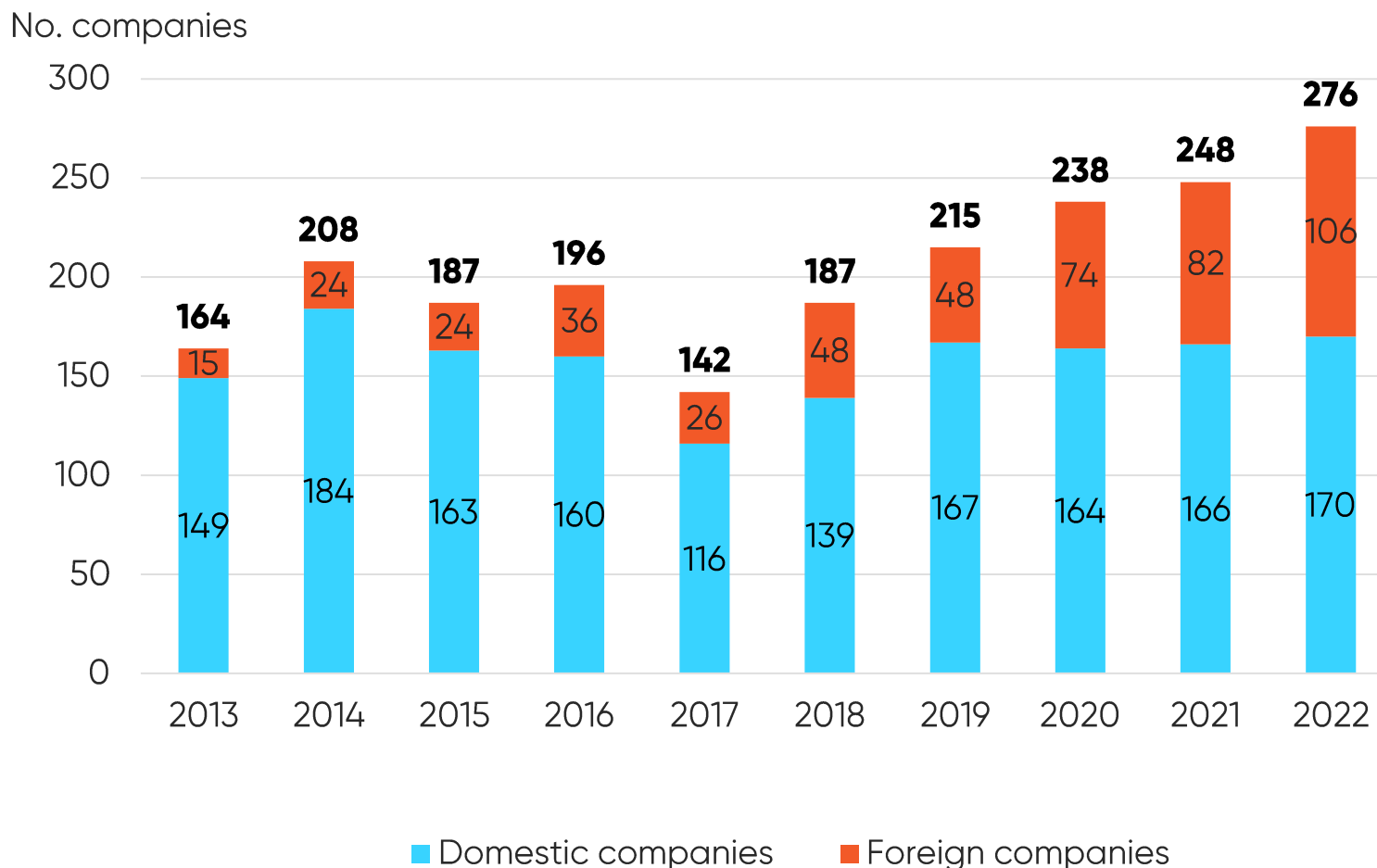
Record Number of Foreign Companies Received Investment from Finnish VCs

106 foreign companies (+29 %) received venture capital investment from Finland

38 % of companies that received a Finnish venture capital investment in 2022 were located abroad

Finnish VCs are sought after funding partners for foreign companies

Investments in Domestic and Foreign Companies by Finnish VCs



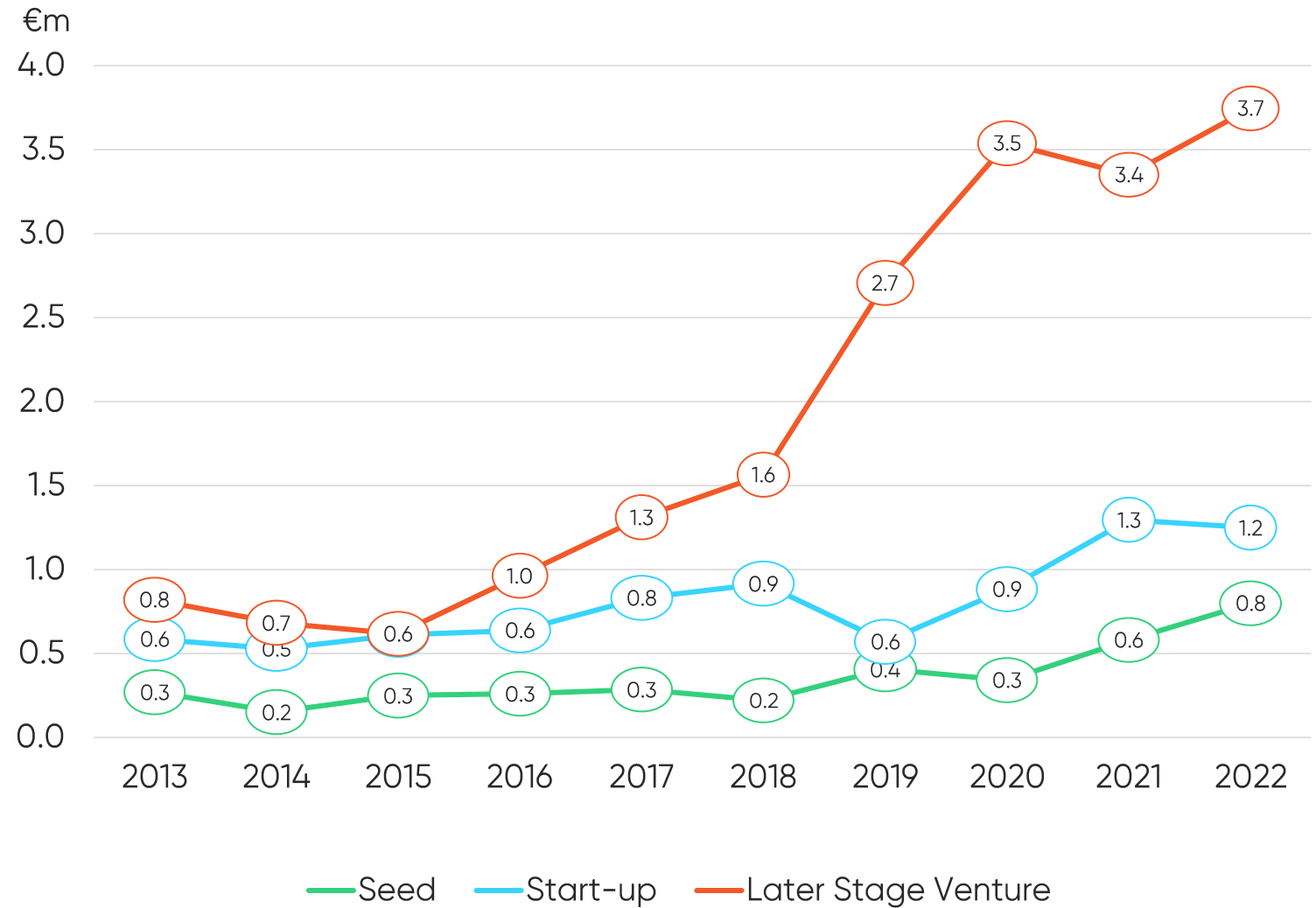
Investment Sizes Have Increased in Recent Years

€1.3m

when considering all the investment stages the average investment size stayed on the same level as in 2021

average investment amounts in each investment stage have increased during the last years

Finnish VCs' Average Investment Size



Divestments

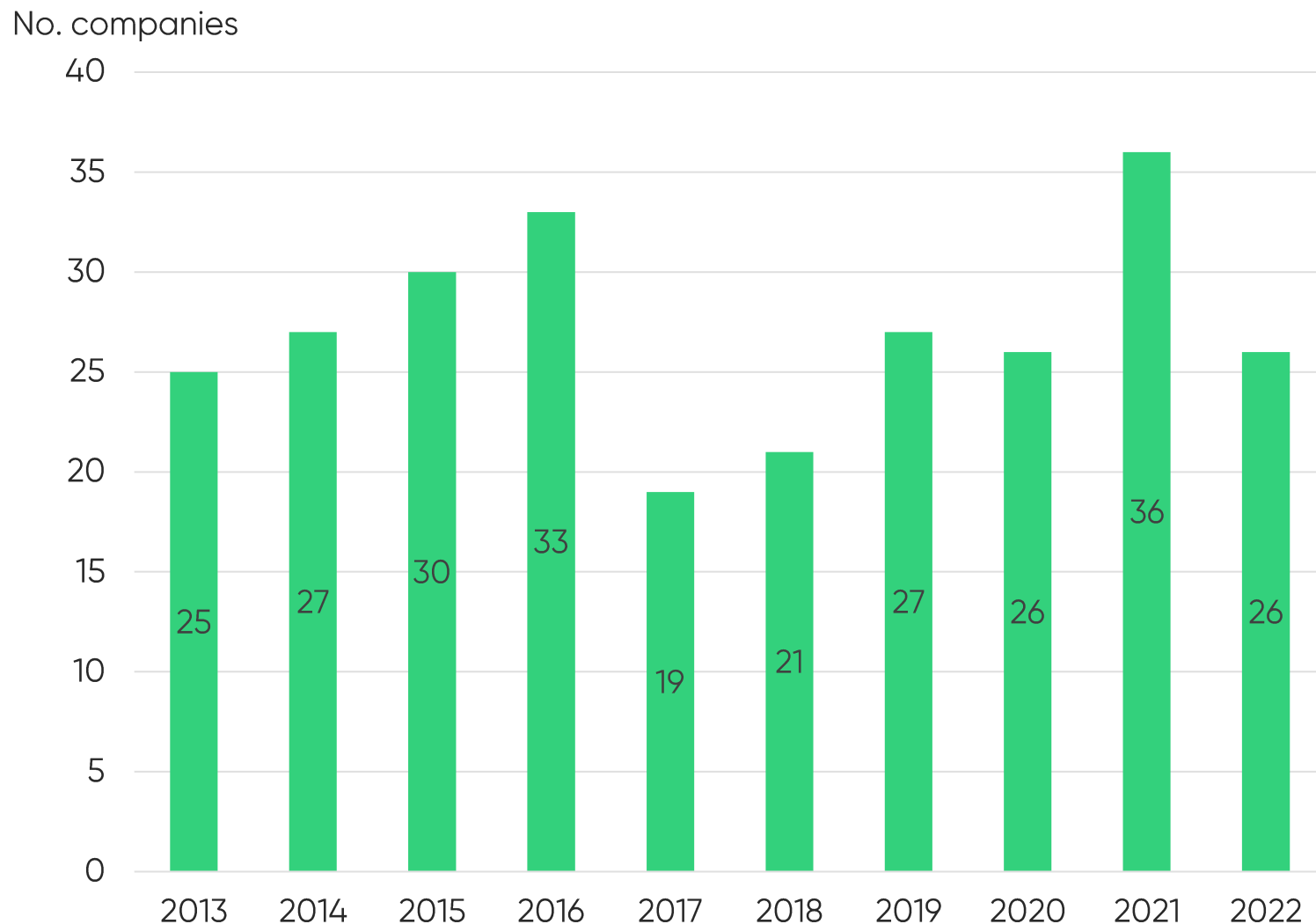
The Number of Divestments Fell from the Previous Year's Record

26 (-28 %)

companies were successfully exited in 2022

the number of successful exits by Finnish VC investors fell to 2020 levels as the economic uncertainty increased

Successful Divestments by Finnish VC Investors



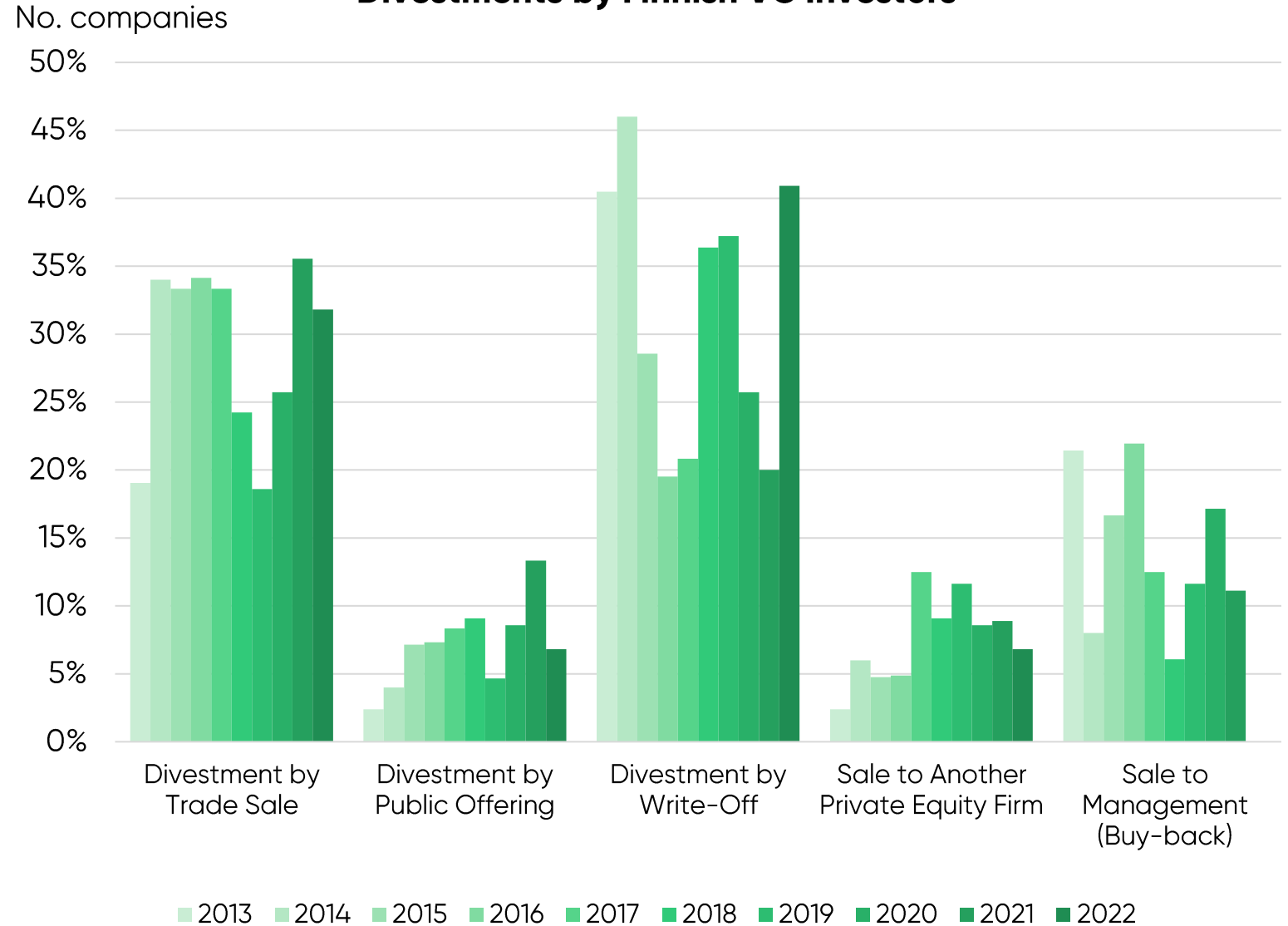
Divestments by Trade Sale the Most Common Exit Path in Recent Years

32 %

about a third of the divestments were made as a trade sale where the buyer is another company

share of write-offs in relatively high level in 2022

Divestments by Finnish VC Investors

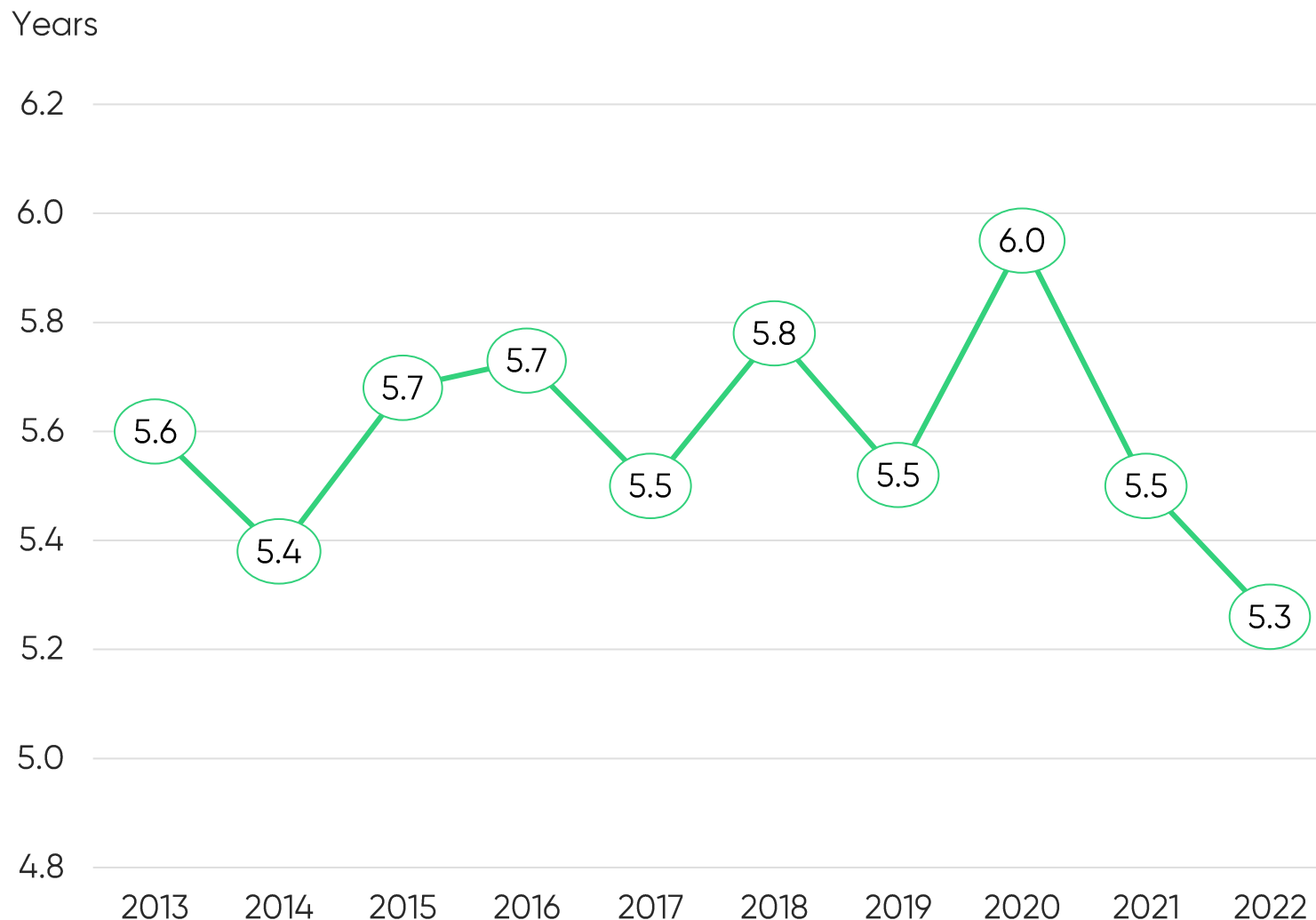


Average Duration of Ownership at Exit

5.3 years

the average duration of venture capital investors' ownership at the moment of exit

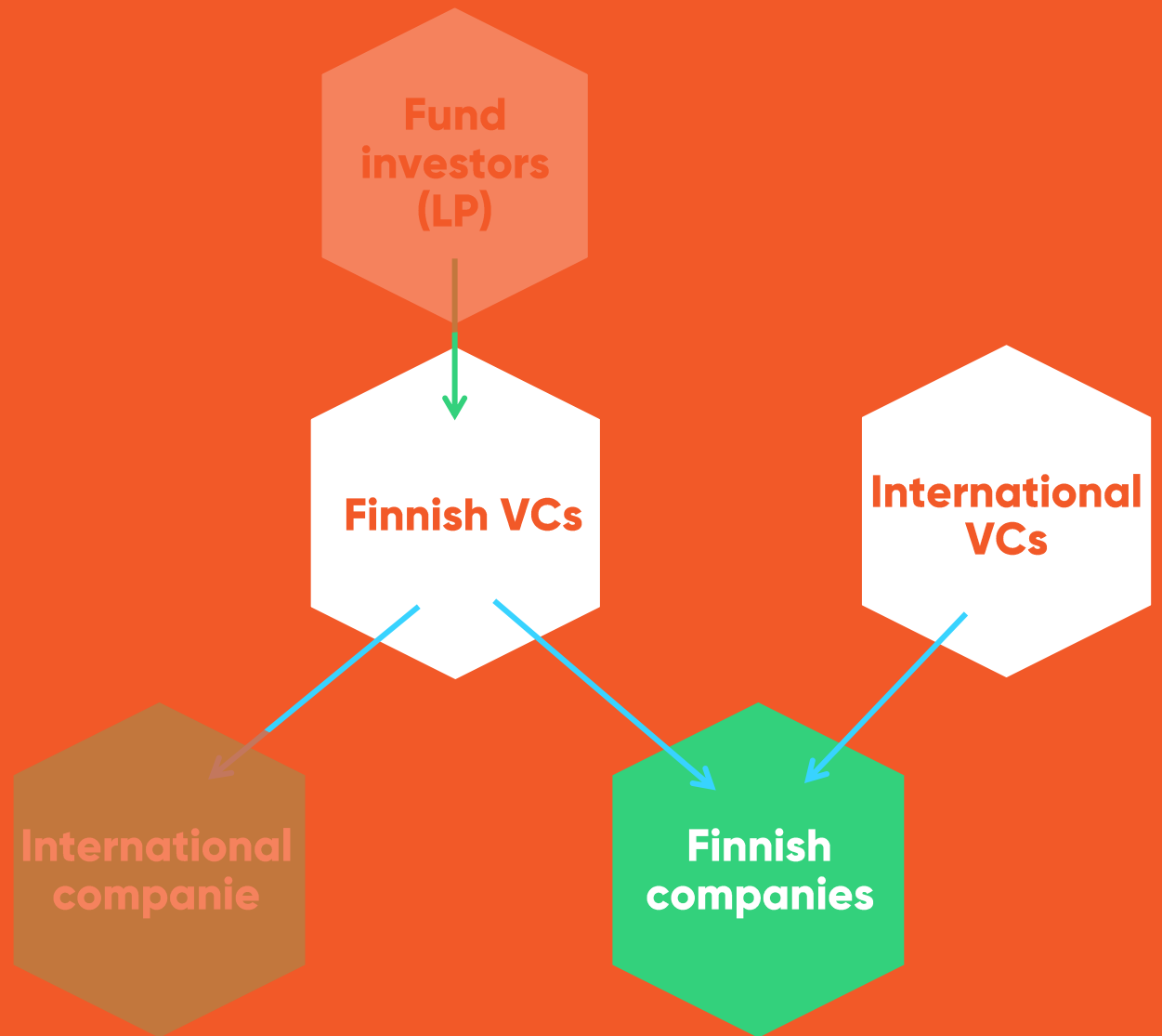
Average Duration of Finnish VC Ownership at Exit



Market Statistics

Investments in Finnish startups by Finnish and international investors

Investments



VC Investments into Finnish Companies Reached a Record High

€1 033m (+17 %)

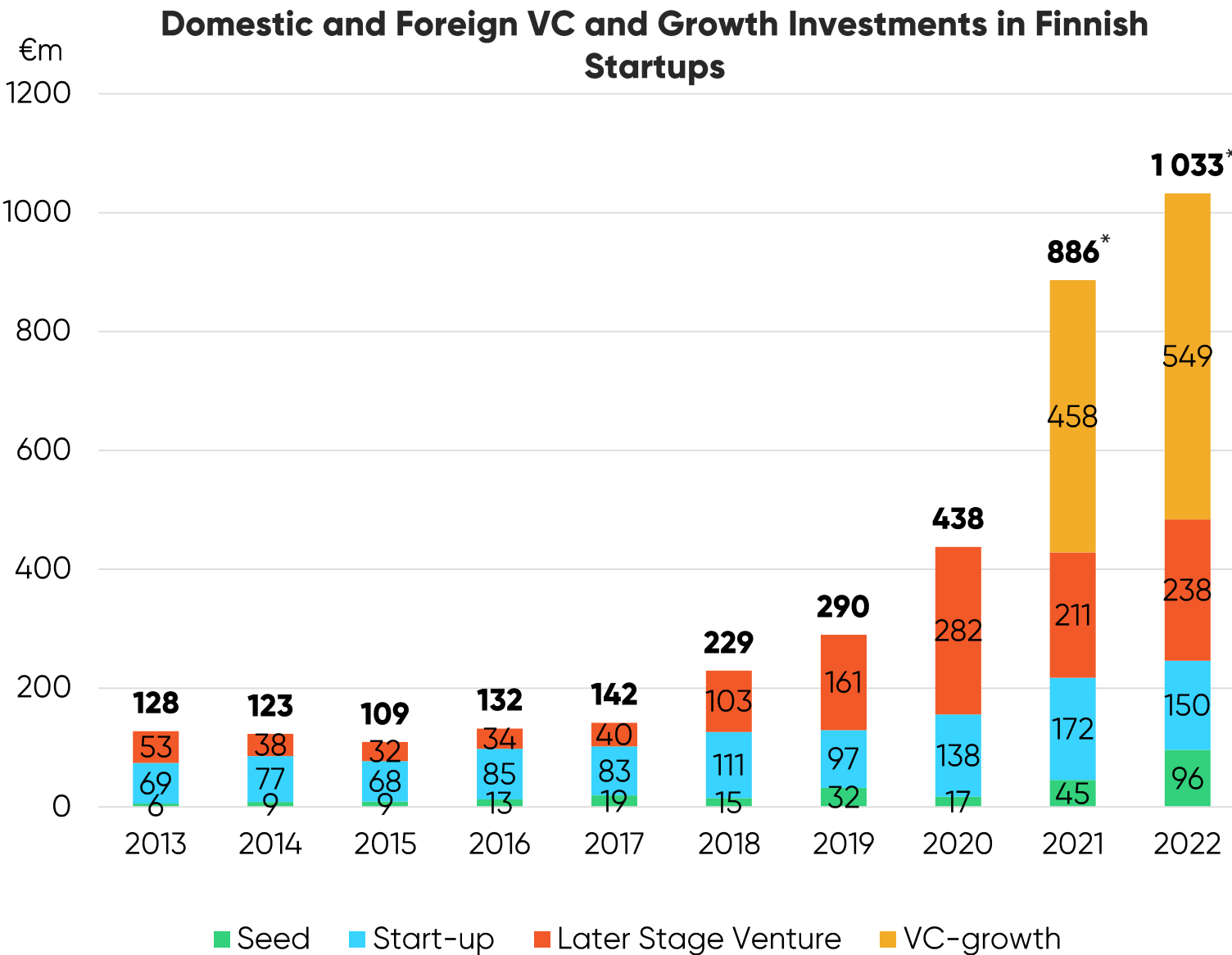
VC and growth investments in Finnish startups in total

€96m (+113 %)

the amount of seed stage investments more than doubled in a year

€549m (+20 %)

growth investments into Finnish startups



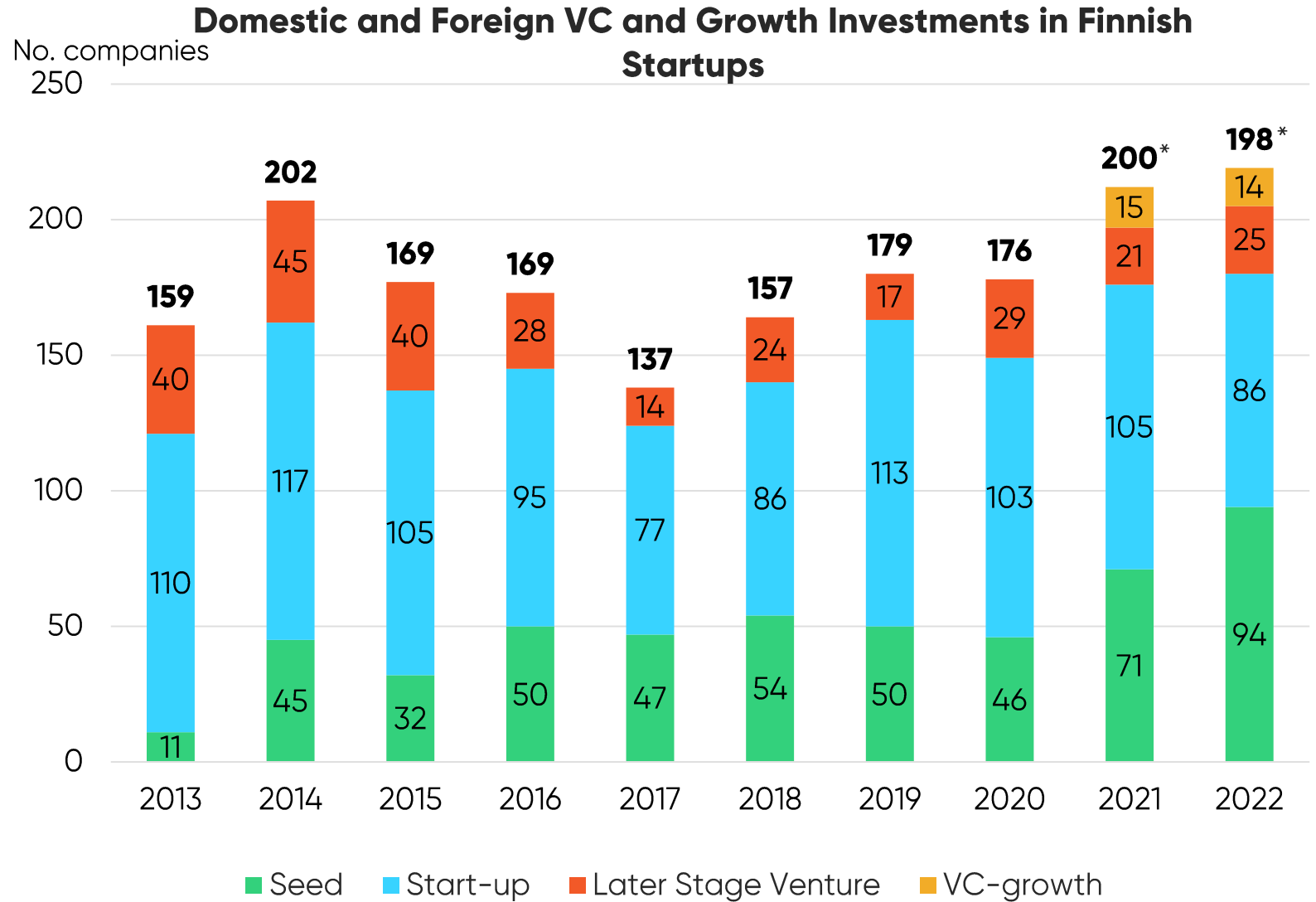
*VC-growth figures added for 2021-2022. More information on slide 7.

Sources: FVCA, EDC

Approximately 200 Finnish Startups Receive VC or Growth Investment Annually

198 companies (-1 %)
the number of Finnish startups that received VC or growth investments in 2022

94 seed-stage companies (+32 %)
significant increase in number of companies receiving seed stage funding



*VC-growth figures added for 2021-2022. More information on slide 7.

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

VCs Invested Almost Half a Billion Euros in Finnish Startups

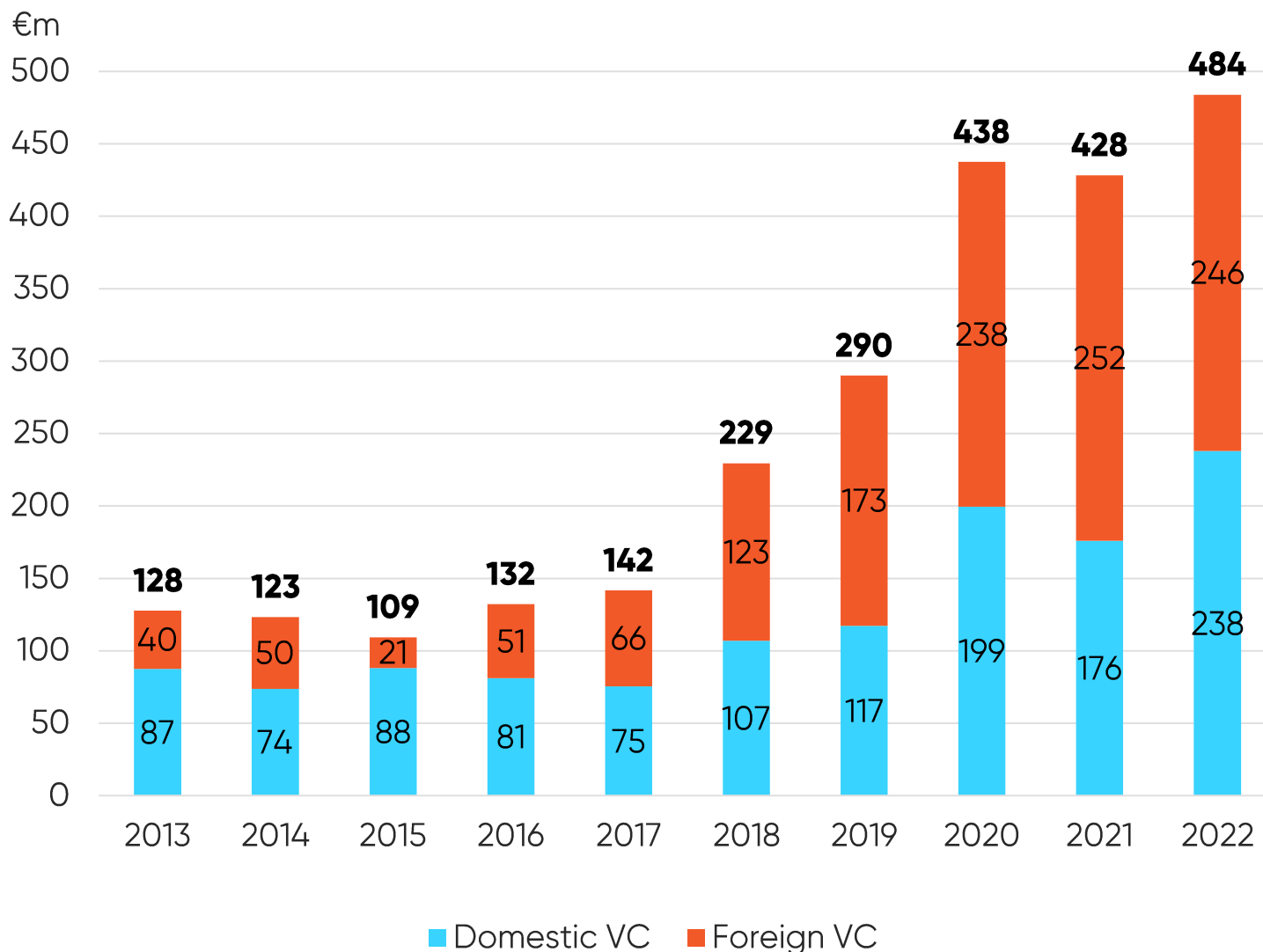
€484m (+13 %)

worth of investments received by Finnish companies

€238m (+35 %)

domestic VC investments in Finnish companies reached a new record high

Domestic and Foreign VC Investments in Finnish Companies

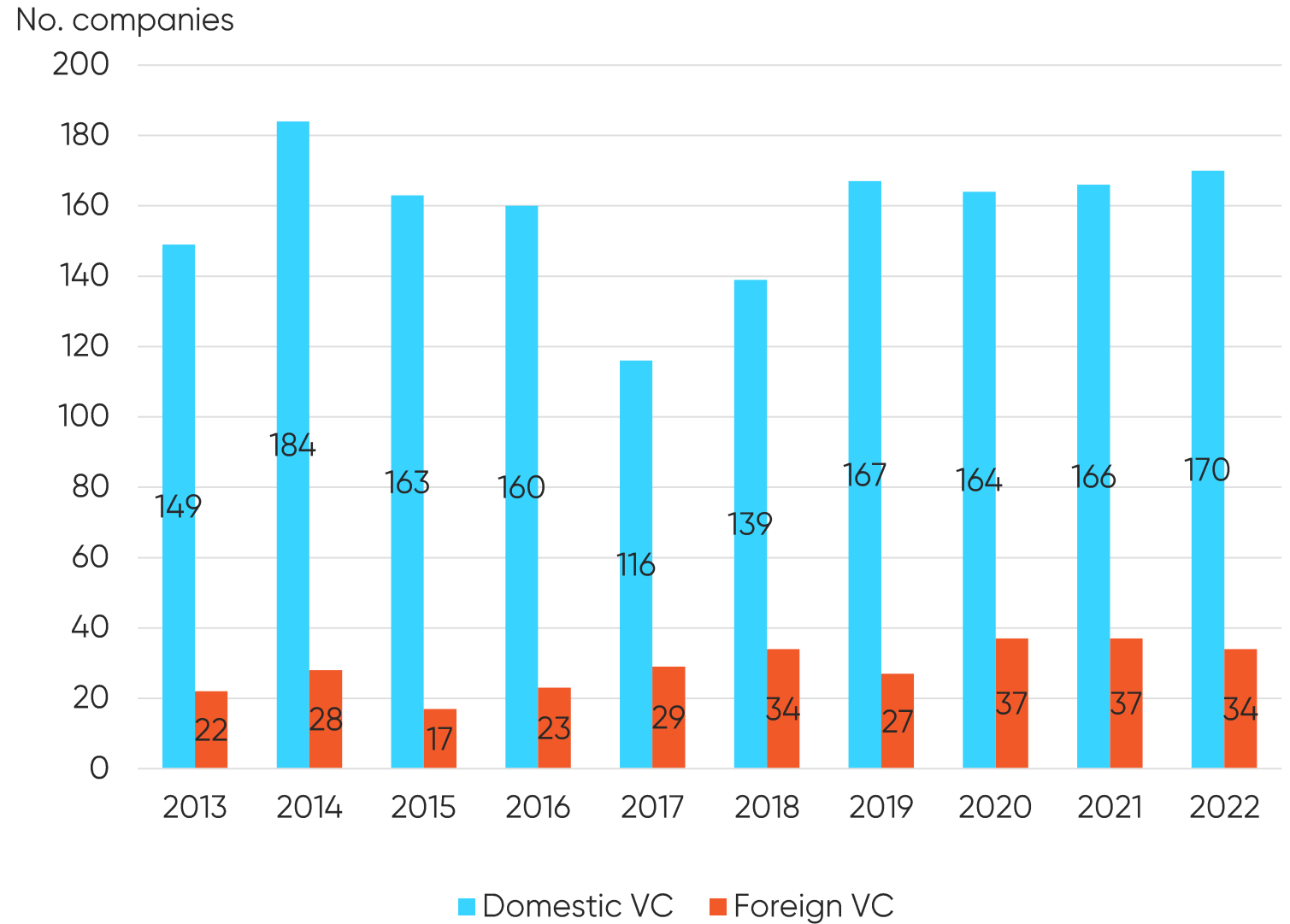


Finnish Startups Attract Foreign VC Investors

34 startups

nearly 40 Finnish companies
receive international VC
investment annually

Domestic and Foreign VC Investments in Finnish Companies



Average Size of Early Stage Investments Has Increased

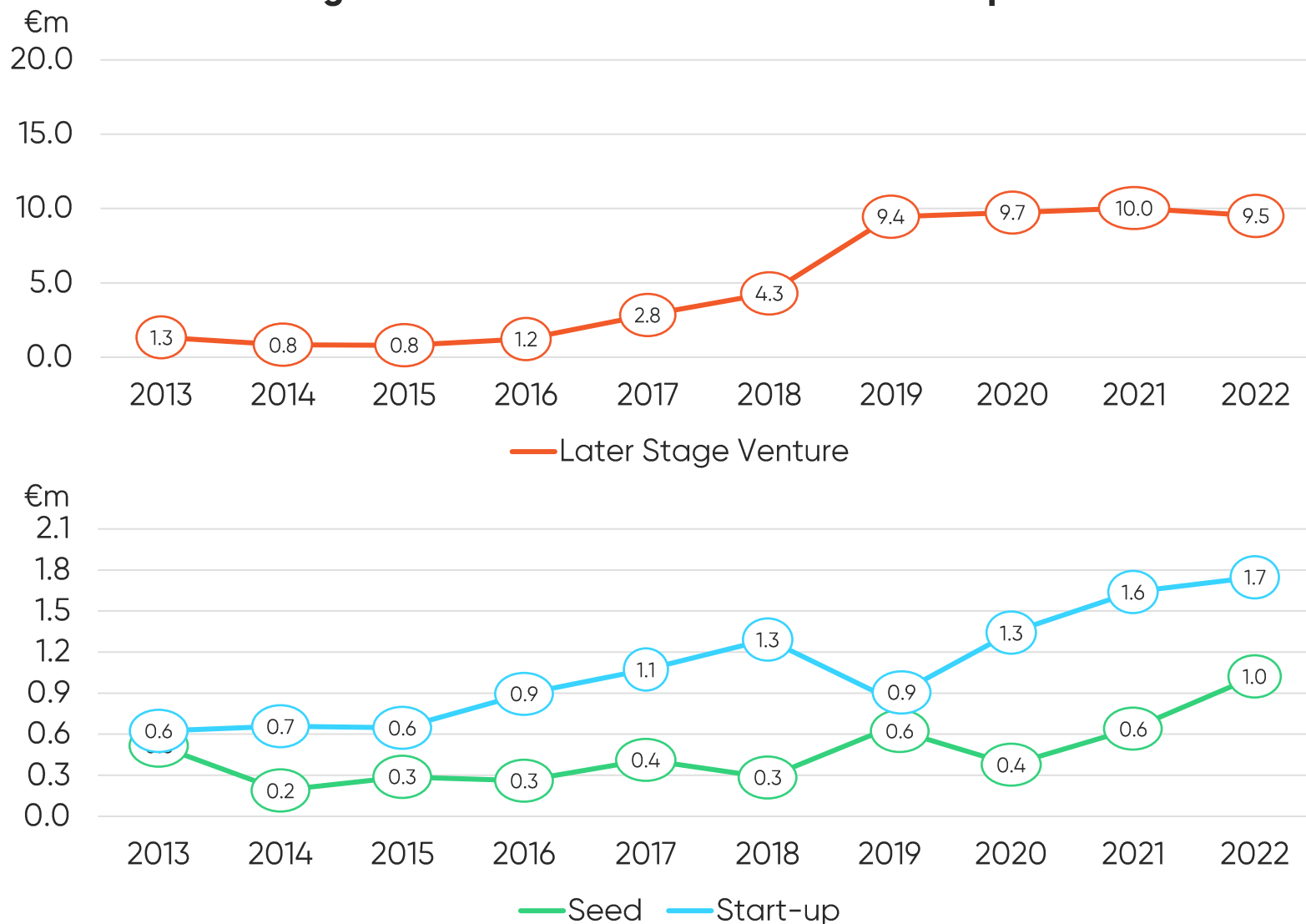
€2.6m (+13 %)

taking into account all investment stages, the average size of VC investments into Finnish companies increased 13 % from 2021

€1m (+67 %)

the average size of seed-stage investments has risen considerably

Average Size of VC Investment in Finnish Companies



VCs Fund Companies All Over Finland

€27.9m

North Ostrobothnia received
second most VC investments
after Uusimaa

The figures include only the
share of venture capital in
the funding rounds



Majority of Investments in ICT Companies

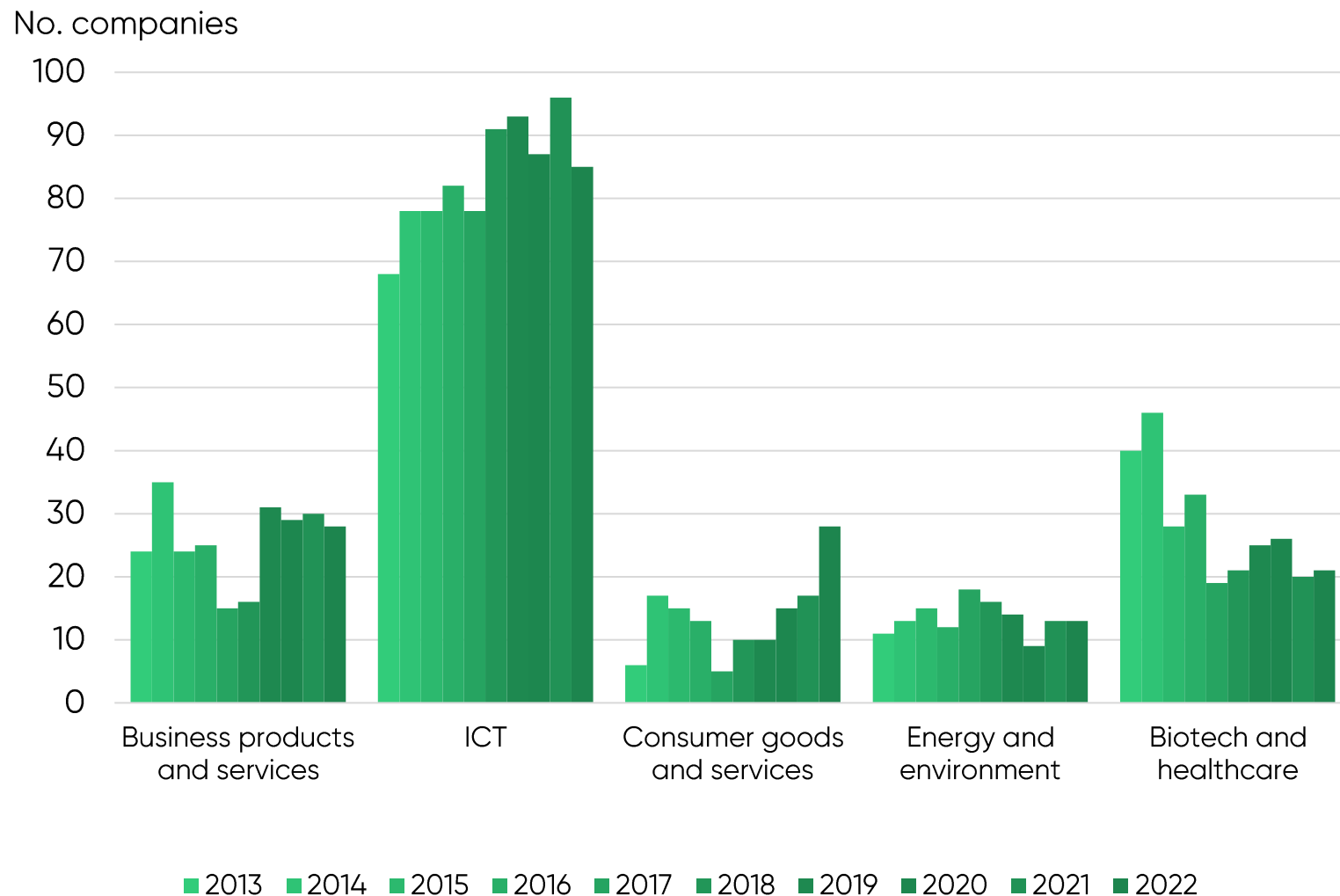
46 %

of investments were made in ICT companies in 2022

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

investments in consumer goods and services have been increasing

VC Investments in Finnish Companies by Industry



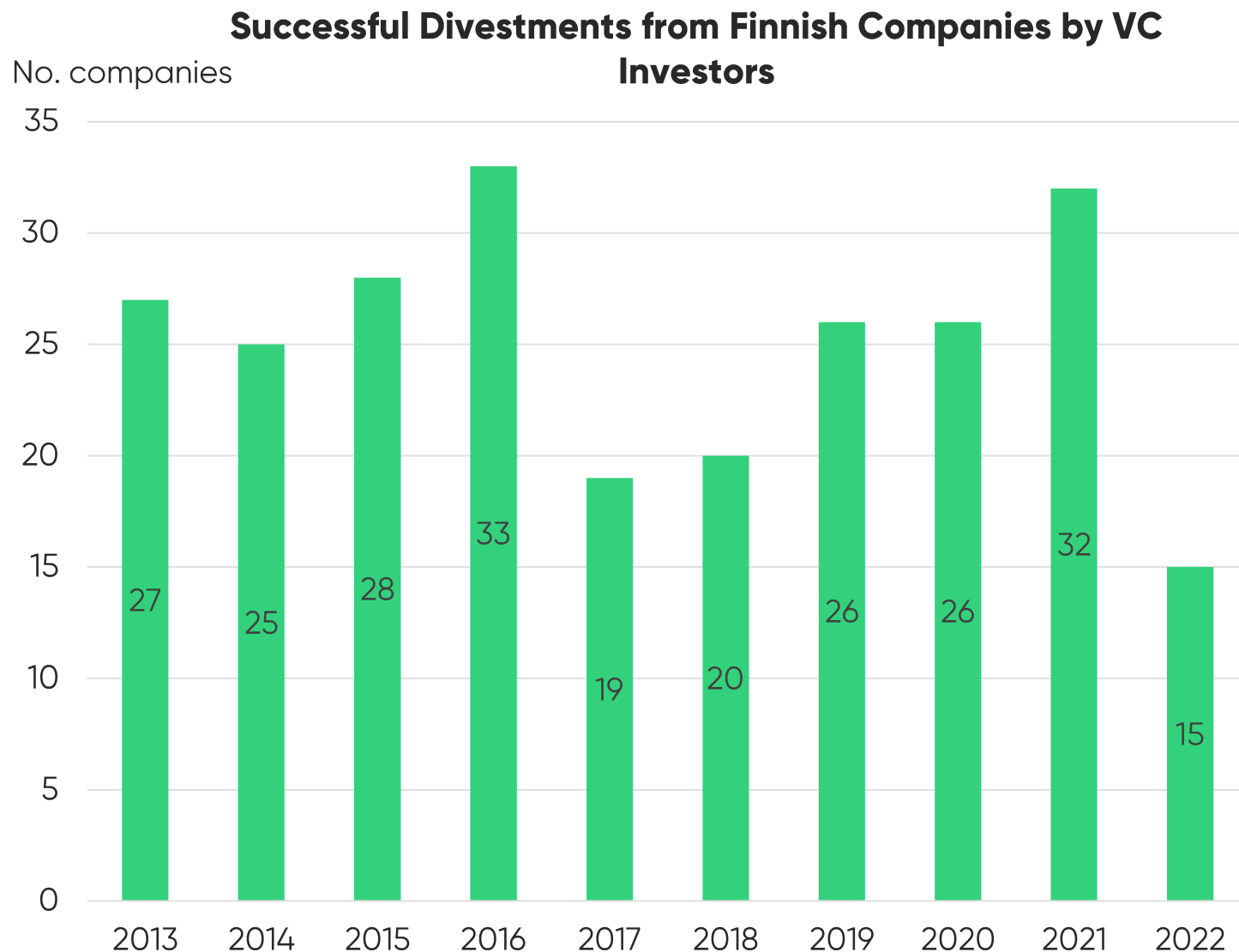
Divestments

Number of Successful Exits Fell from Previous Year

15 companies (-53 %)

got a new owner when VC investor exited the company

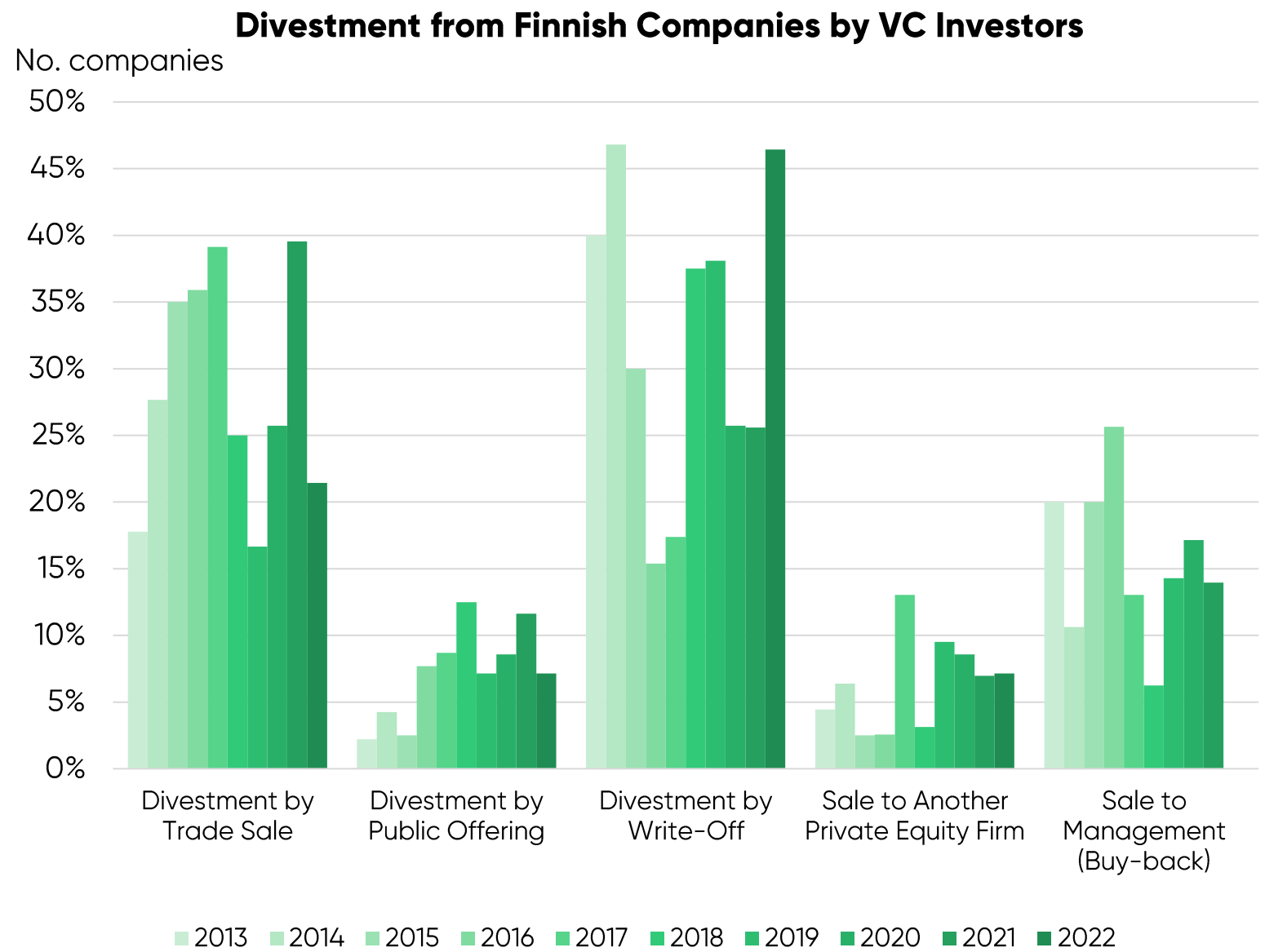
the number of successful exits fell during 2022 as economic uncertainty increased



Write-offs Increased in 2022

46 %
almost half of the exits were write-offs (13 companies)

the most common way of successful exits were divestment by trade sale, where the buyer is another company



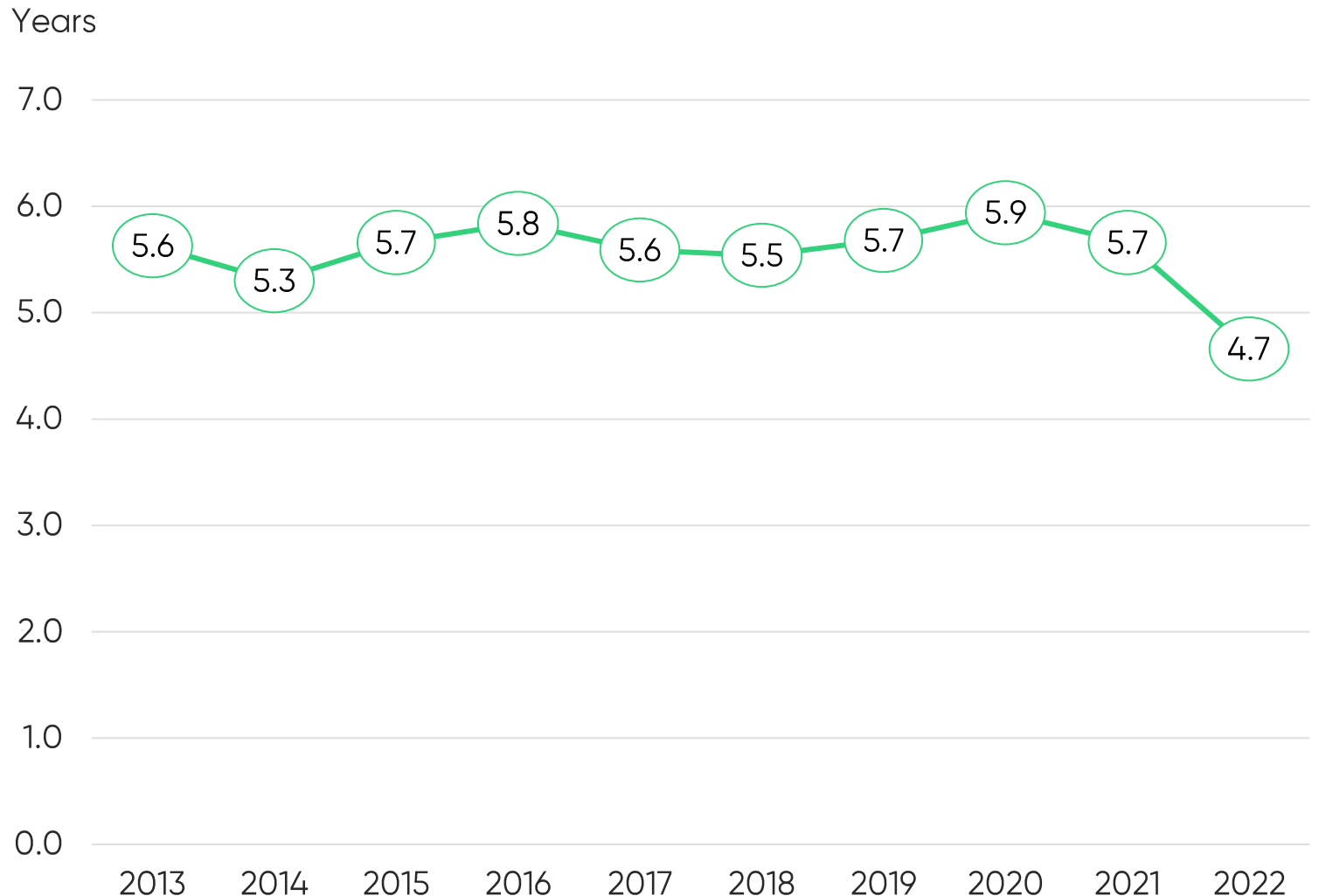
Sources: FVCA, EDC

Average Duration of VC Ownership at Exit

4.7 years (-18 %)

average duration of venture capital investors' ownership at the time of exit (2022)

Average Duration of VC Ownership in Finnish Startups at Exit



Sources: FVCA, EDC

Investments in Finnish Startups

€1.8 Billion Invested in Finnish Startups

+32 %

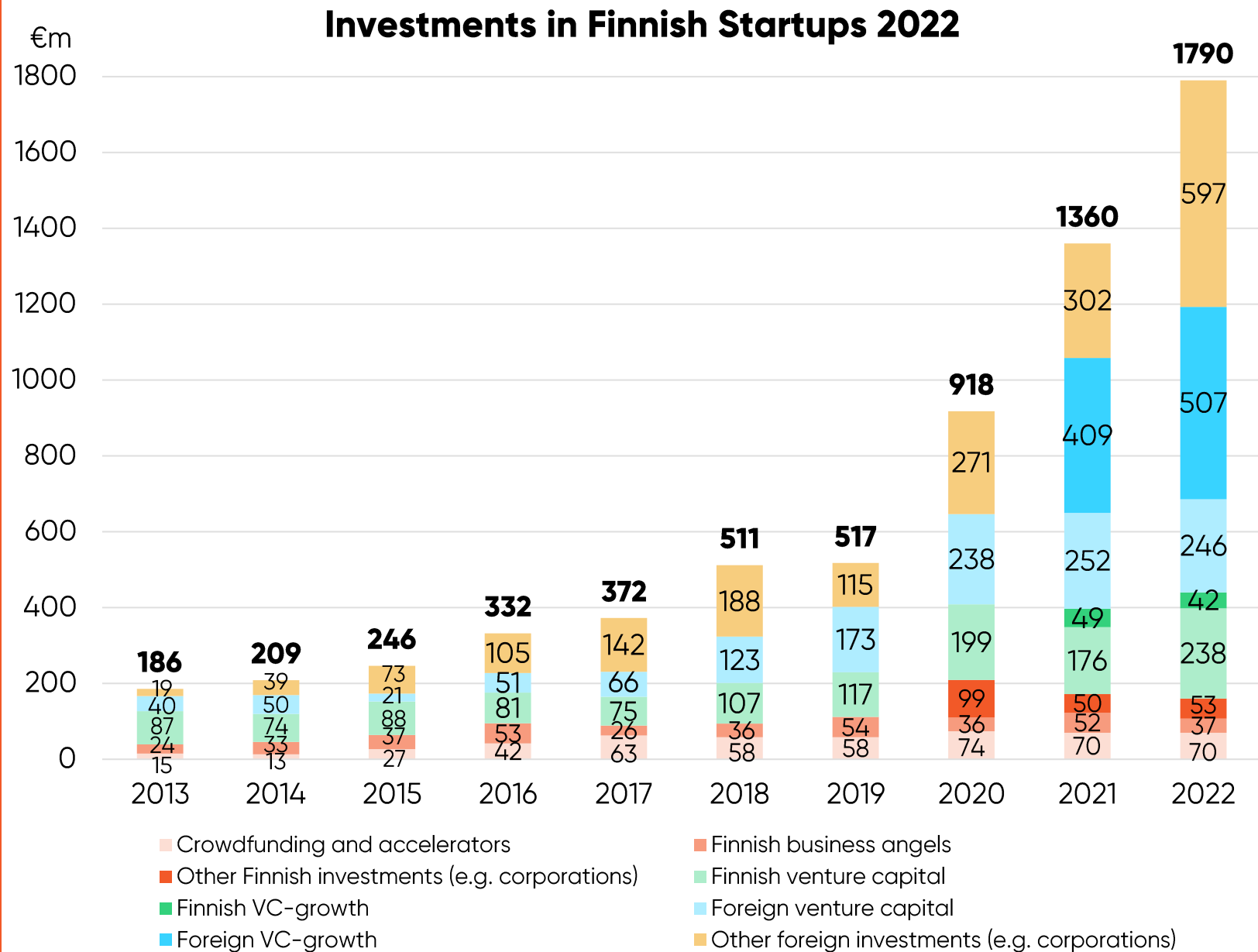
growth in investments into Finnish startups from the previous year

€1.35bn (+40 %)

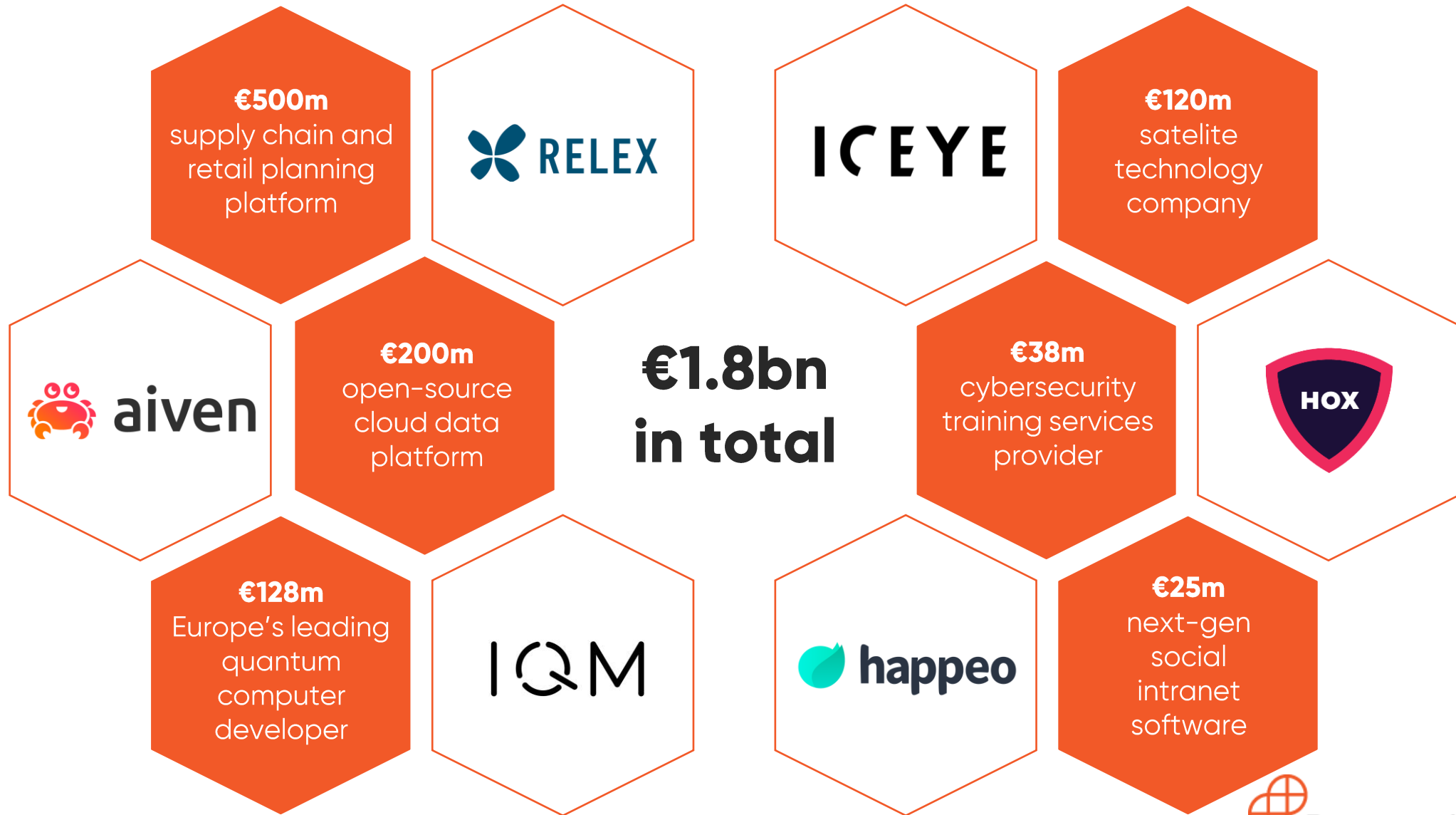
foreign investors accounted for 75 % of the investments received by Finnish companies in 2022

€1.03bn (+17 %)












the largest group of investors was venture capital and growth investors



Highlights of the 2022 Startup Investments



The Biggest Funding Rounds in Finnish Startups

1.	 RELEX	€500m	2022	6.	 ICEYE	€120m	2022
2.	 Wolt	€440m	2021	7.	 Wolt	€110m	2019
3.	 aiven	€200m	2022	8.	Swappie	€108m	2022
4.	 RELEX	€175m	2019	9.	 Wolt	€100m	2020
5.	IQM	€128m	2022	10.	 SUPERCCELL	€97.5m	2013
				11.	 MariaDB	€92m	2022
				12.	hmd.	€86m	2018
				13.	 aiven	€84m	2021
				14.	ŌURA	€83m	2021
				15.	 ICEYE	€74m	2020

Summary of Finnish Venture Capital and Private Equity Statistics

Venture capital, growth & buyout 2022

All Private Equity (PE) 2022

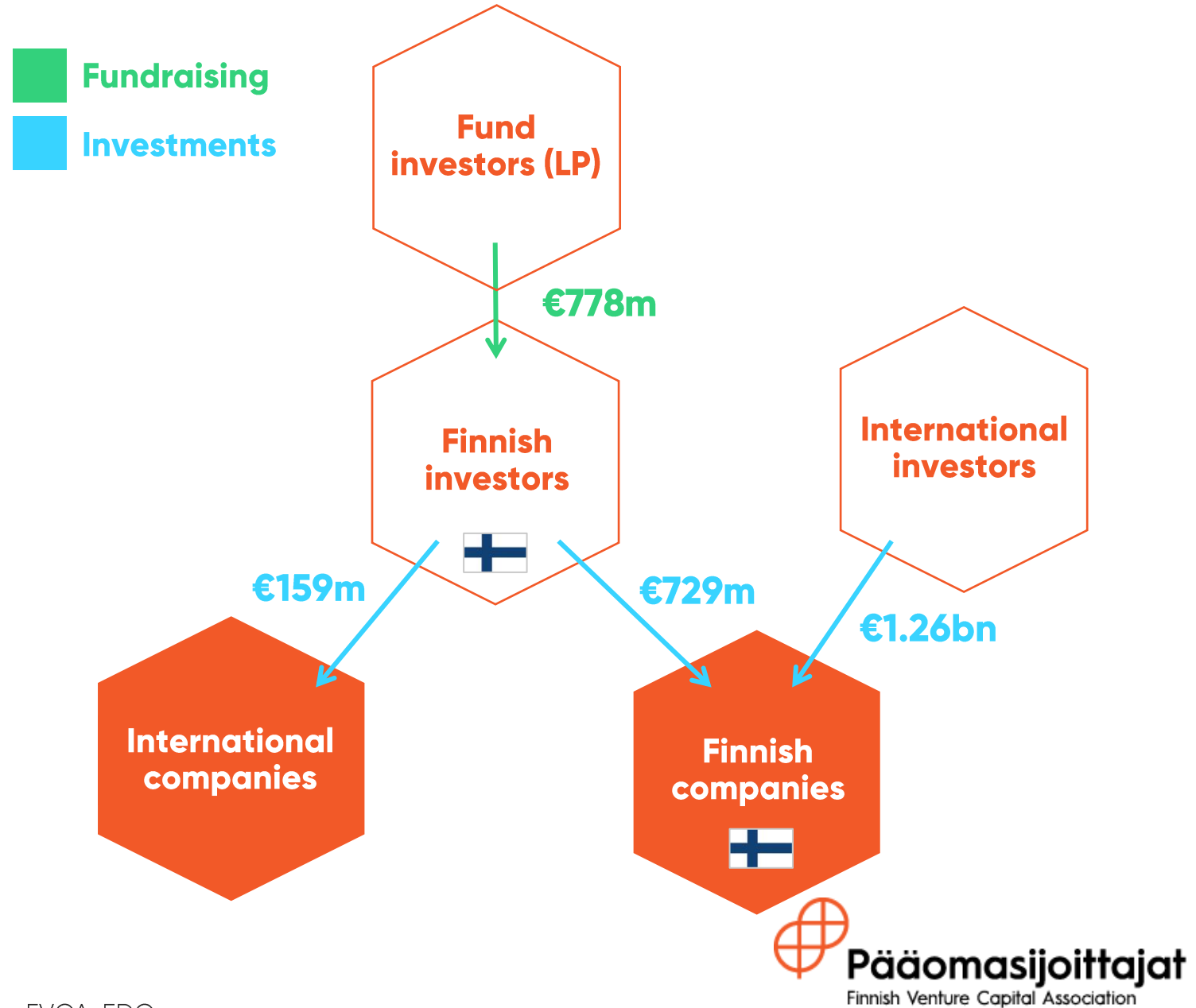
€778m

Funds raised into private equity
funds for future investments

€2.0bn

Total amount of investments in
Finnish companies

Private Equity 2022



Private Equity Investors 2022

Venture capital, growth and
buyout statistics in brief

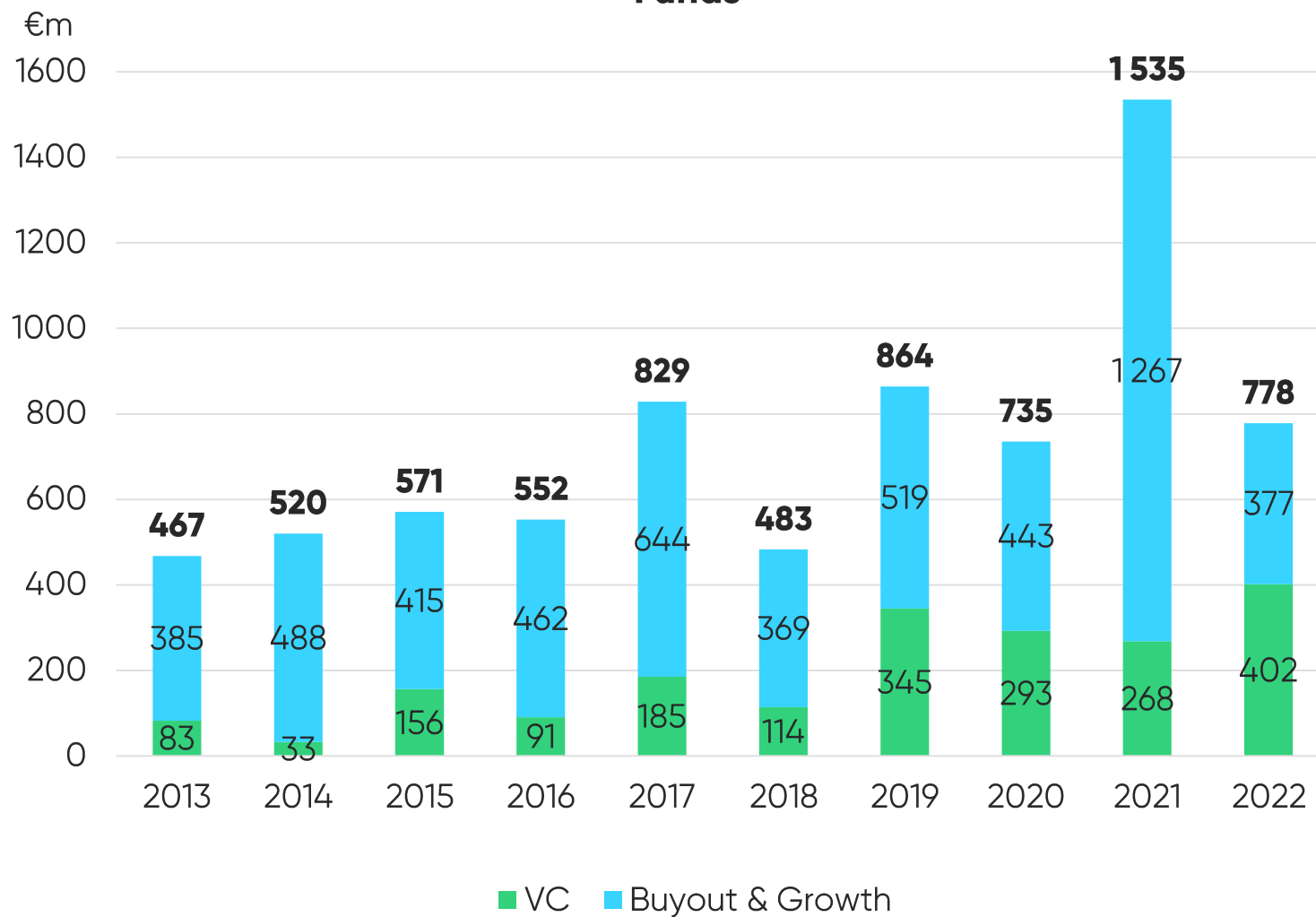
- Finnish private equity (PE) investors invested a total of **€888m** (+18 %) into **347** (+2 %) domestic and foreign startups and growth companies.
- A total of **263** (-3 %) Finnish startups and growth companies received **€2.0bn** (+42 %) in investments
- Foreign private equity investors invested **€1.3bn** (+53 %) into **51** (-4 %) Finnish companies.
- Finnish private equity investors exited **82** portfolio companies (-20 %).
- Finnish private equity investors have raised **€778m** (-49%) in new funds, which will be invested in startups and growth companies in the coming years

Fundraising by Finnish VC and PE Funds Came Down after Peak Year 2021

€778m

of funds raised for Finnish venture capital and private equity funds in 2022

Fundraising of Finnish Venture Capital and Private Equity Funds



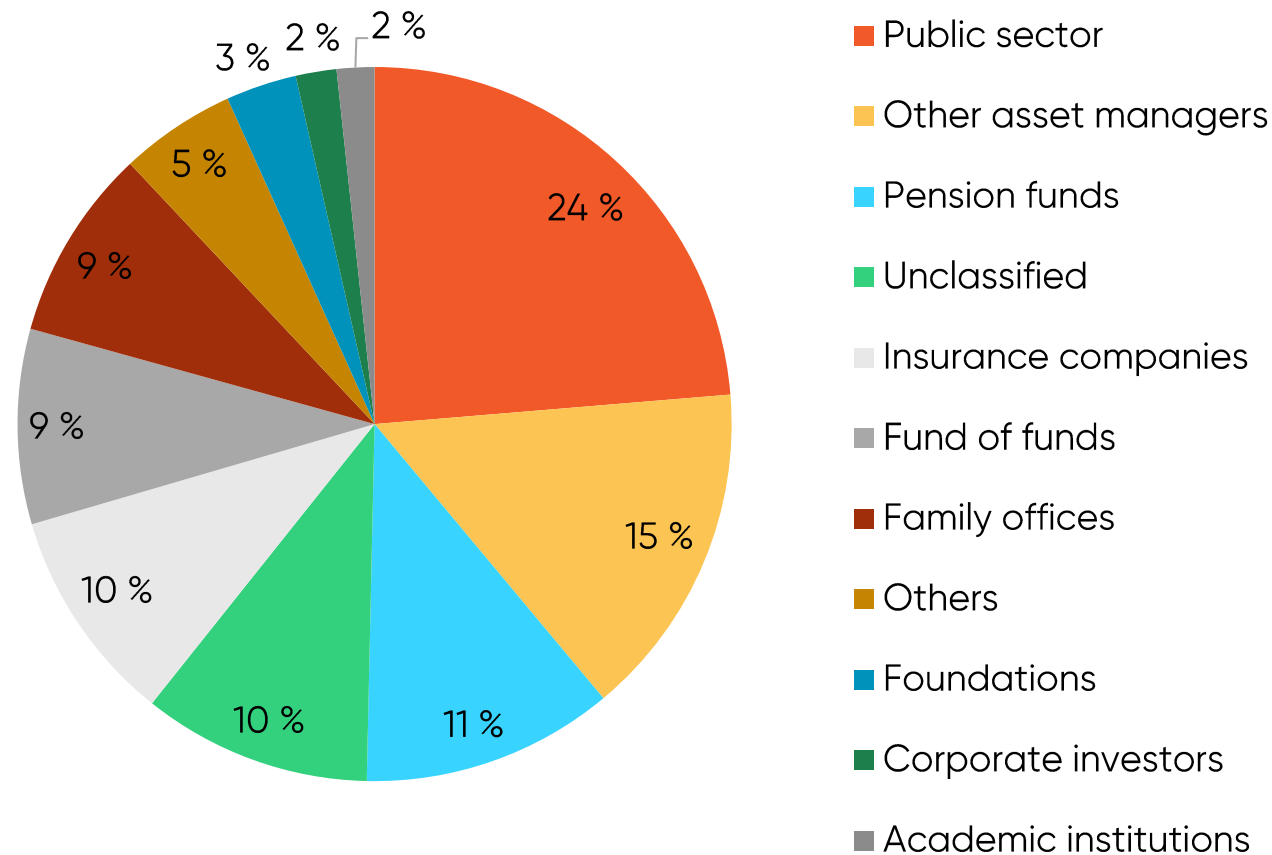
Finnish VC and PE Funds Have a Diverse Investor Base

24%

The most capital was raised from public sector in 2022

Second largest amount of capital was raised from other asset managers followed by pension funds

Finnish Venture Capital and Private Equity Funds' Investors in 2022

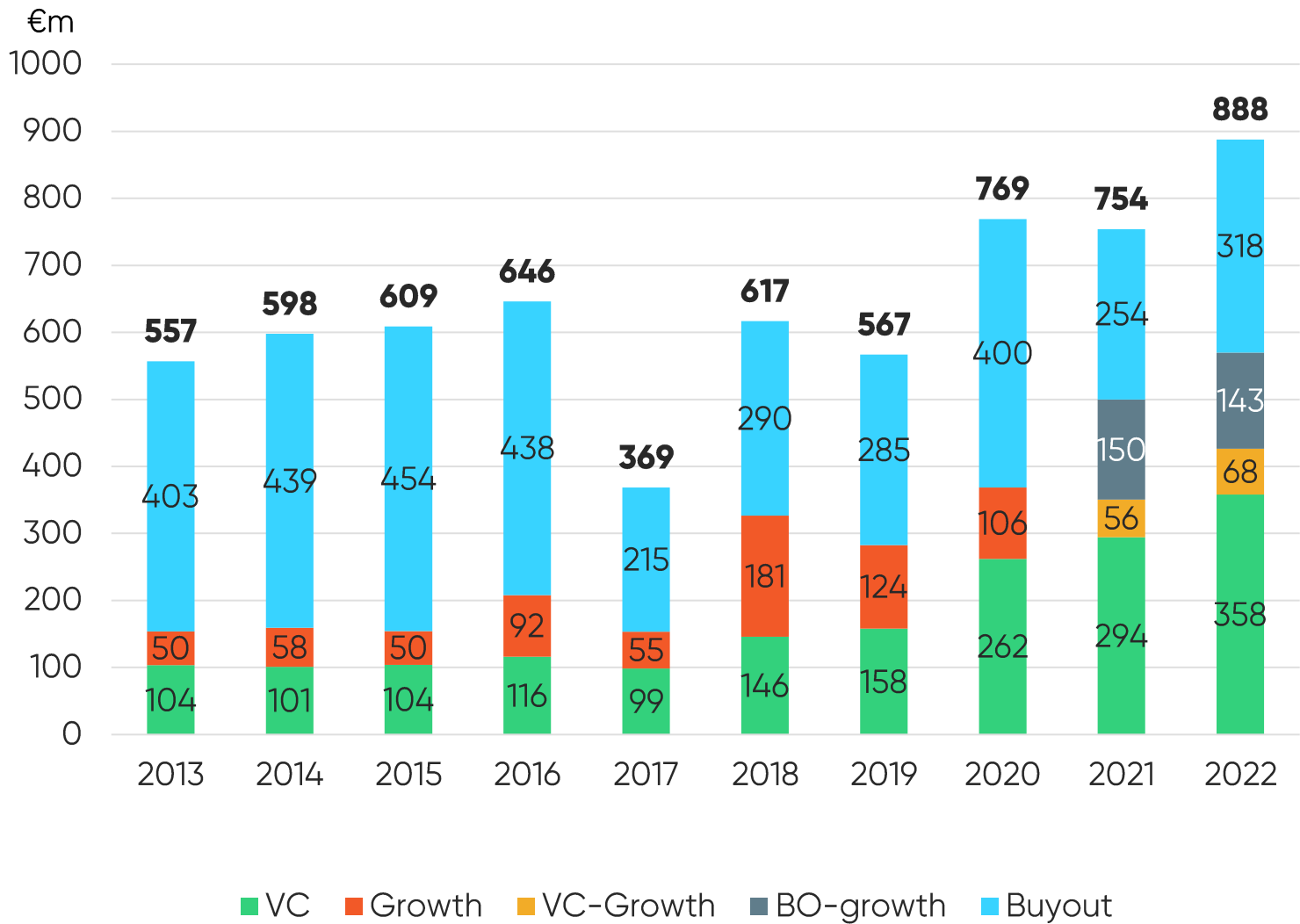


Investments by Finnish VC and PE Investors to New All-Time High

€888m (+18 %)

of investments made by Finnish VC and PE investors in 2022

Investments by Finnish Venture Capital and Private Equity Investors

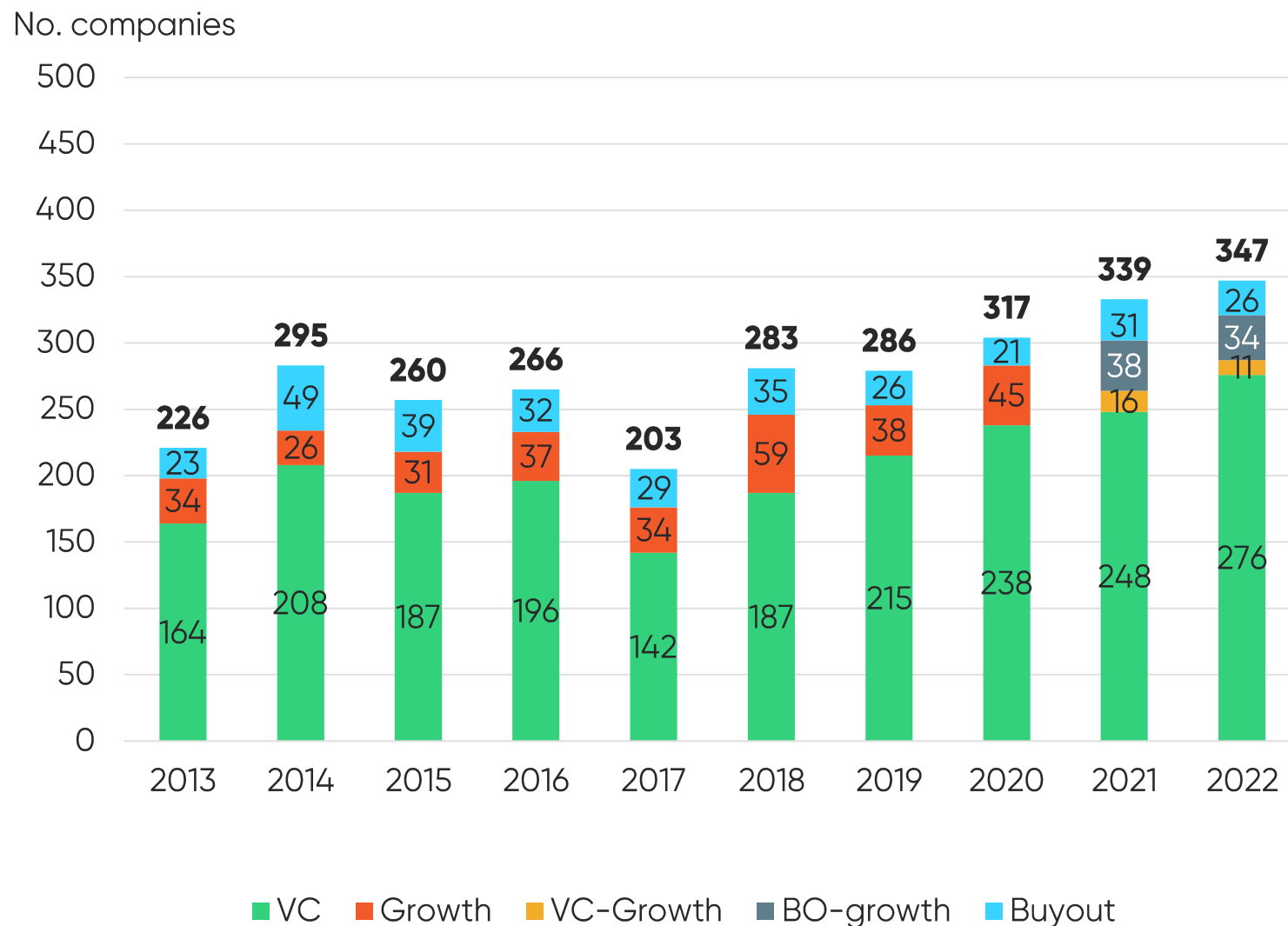


Sources: FVCA, EDC

Finnish VC and PE Investors Invested in Record Number of Companies

347 companies (+2 %)
received investments from
Finnish VC and PE investors in
2022

Investments by Finnish Venture Capital and Private Equity Investors

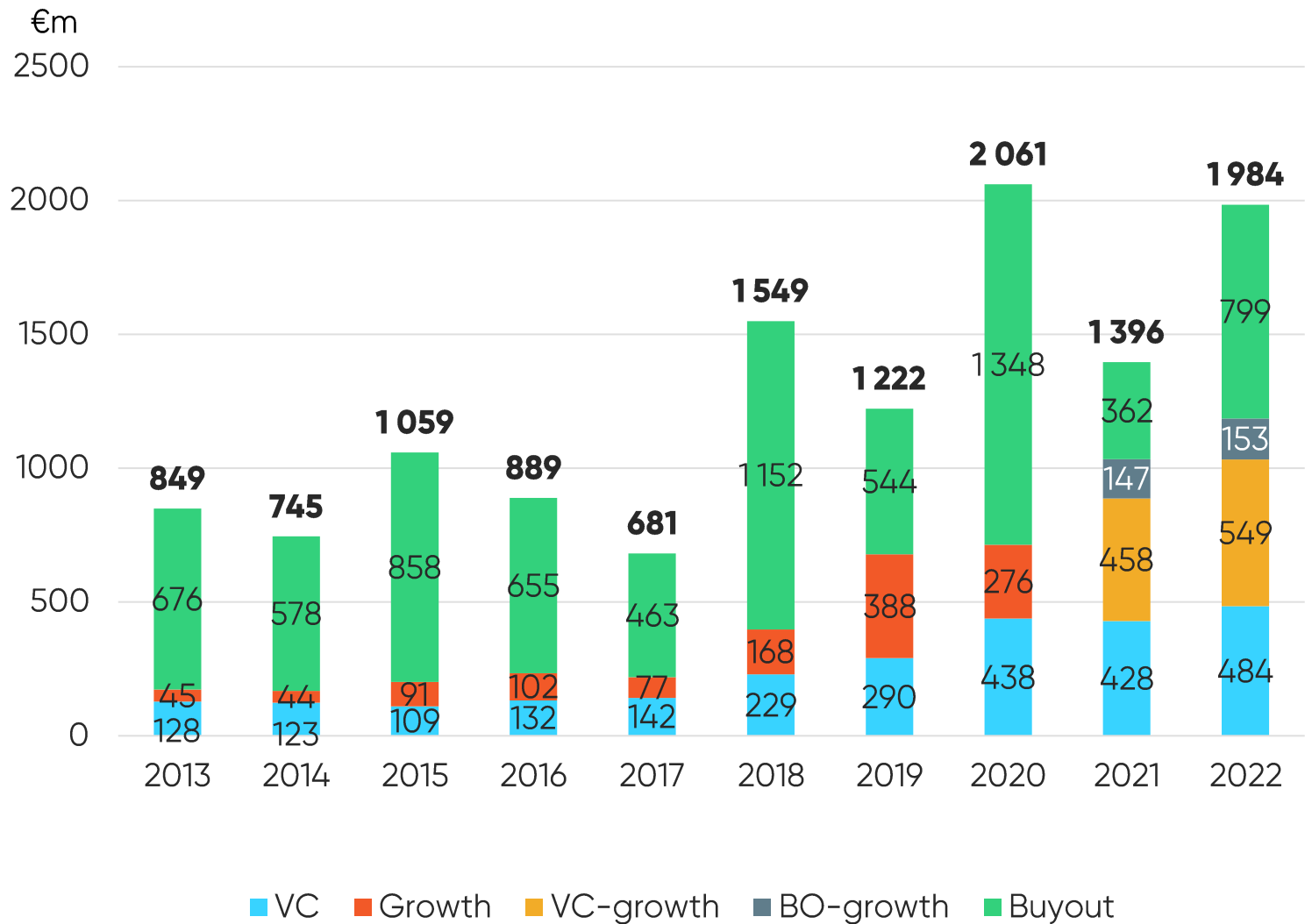


Almost Two Billion Euros Invested in Finnish Companies by VC and PE Investors

€2.0bn (+42 %)

Finnish and international
investments in Finnish startups
and growth companies

Venture Capital and Private Equity Investments into Finnish
Companies

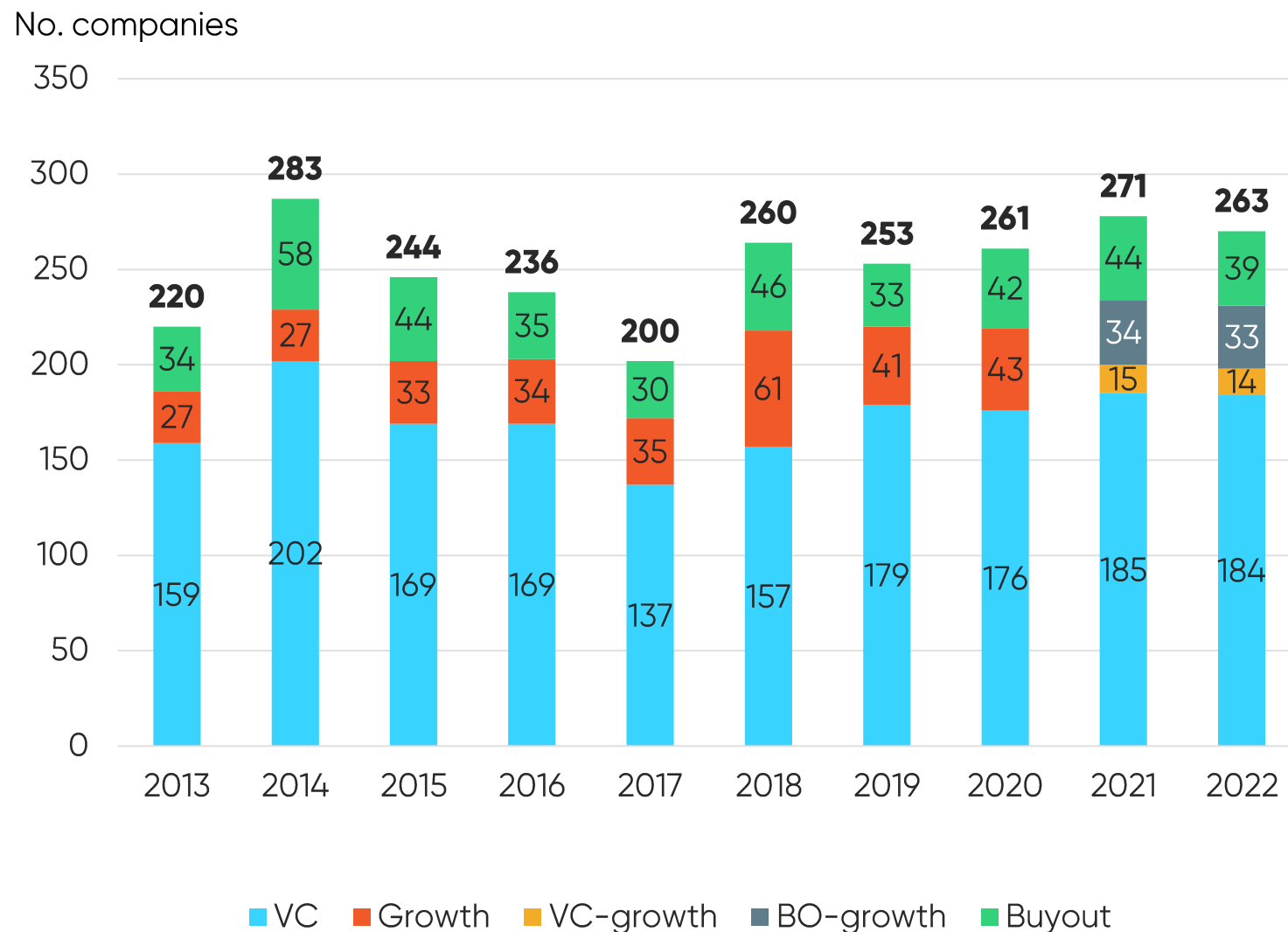


Around 260 Finnish Companies Receive VC or PE Investment Annually

263 companies (-3 %)

The number of Finnish startups and growth companies receiving international investments has remained stable

Venture Capital and Private Equity Investments into Finnish Companies



Investments Across Finland

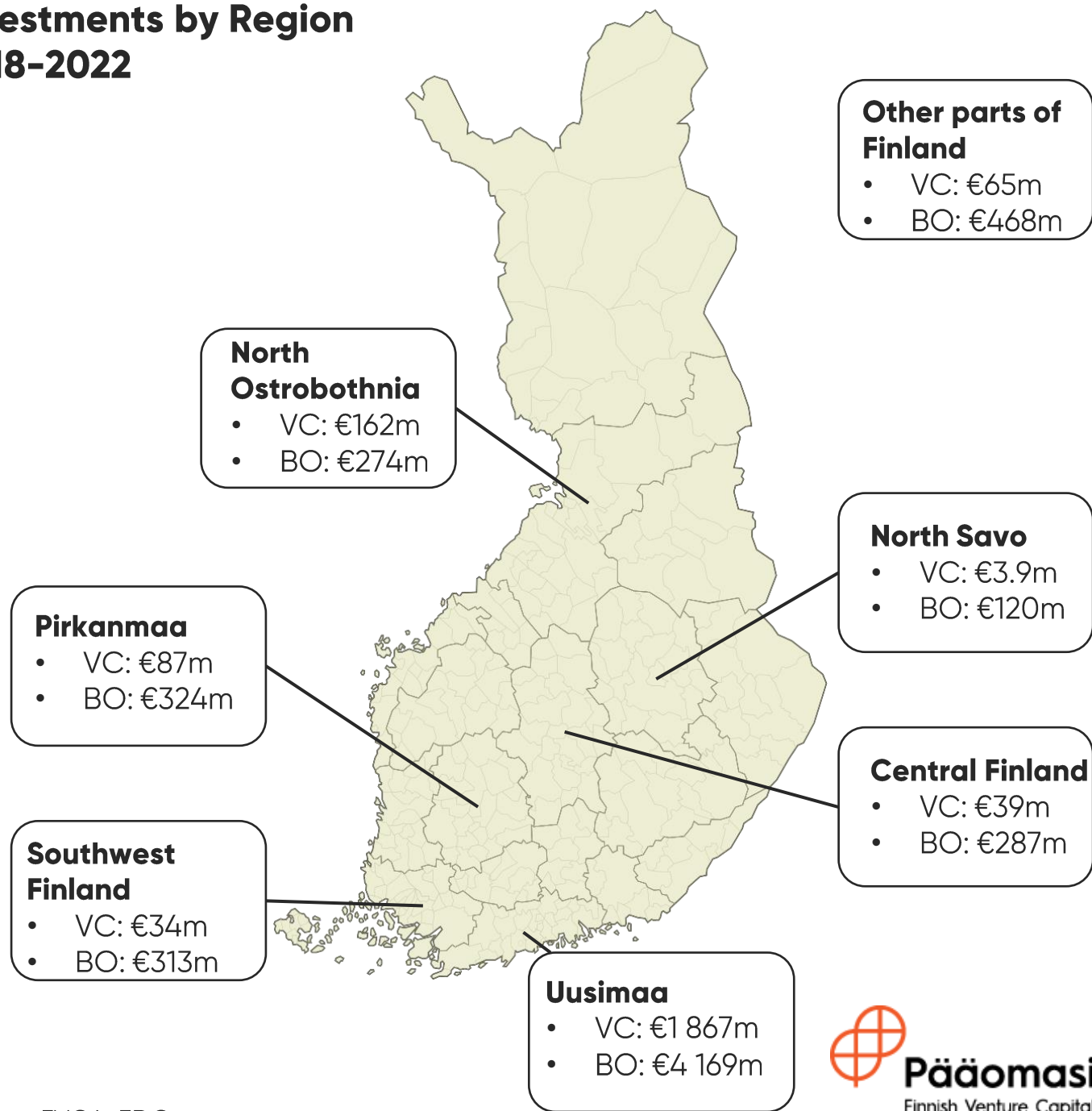
€8.2bn

Total amount of investments made into Finnish companies between 2018–2022

The most venture capital investments after Uusimaa were made to companies in North Ostrobothnia and Pirkanmaa

Apart from Uusimaa, the most of buyout investments were made to companies in Pirkanmaa and Southwest Finland

Investments by Region 2018–2022



Sources: FVCA, EDC

Methodology



National Private Equity Associations Cooperating With EDC

AFIC, France
AIFI, Italy
ASCRI, Spain
BVA, Belgium
BVCA, United Kingdom
BVK, Germany
CVCA, Czech Republic
DVCA, Denmark
FVCA, Finland
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 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.

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

Successful exits are excluding the write-offs. Write-offs are shown in the slides about the share of different types of divestments.

Note: The aggregated figures may not always sum up to totals due to rounding.

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

NEW

Growth investments are separated by stage for 2021-2022

- For the first time, the statistics include growth investments in startups ("VC-growth" and "BO-growth") to provide a more comprehensive overview of the development of the Finnish startup and growth company ecosystem
- **VC-growth-stage** describes later-stage investments in start-up companies
- **BO-growth-stage** describes investments (usually a minority) in established companies
- A more detailed analysis of the growth investments will be included in the next report