

Pääomasijoittajat

Finnish Venture Capital Association

Venture capital in Finland

H1/2023

Statistics on fundraising, investments, and divestments

Published 15 November 2023

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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.

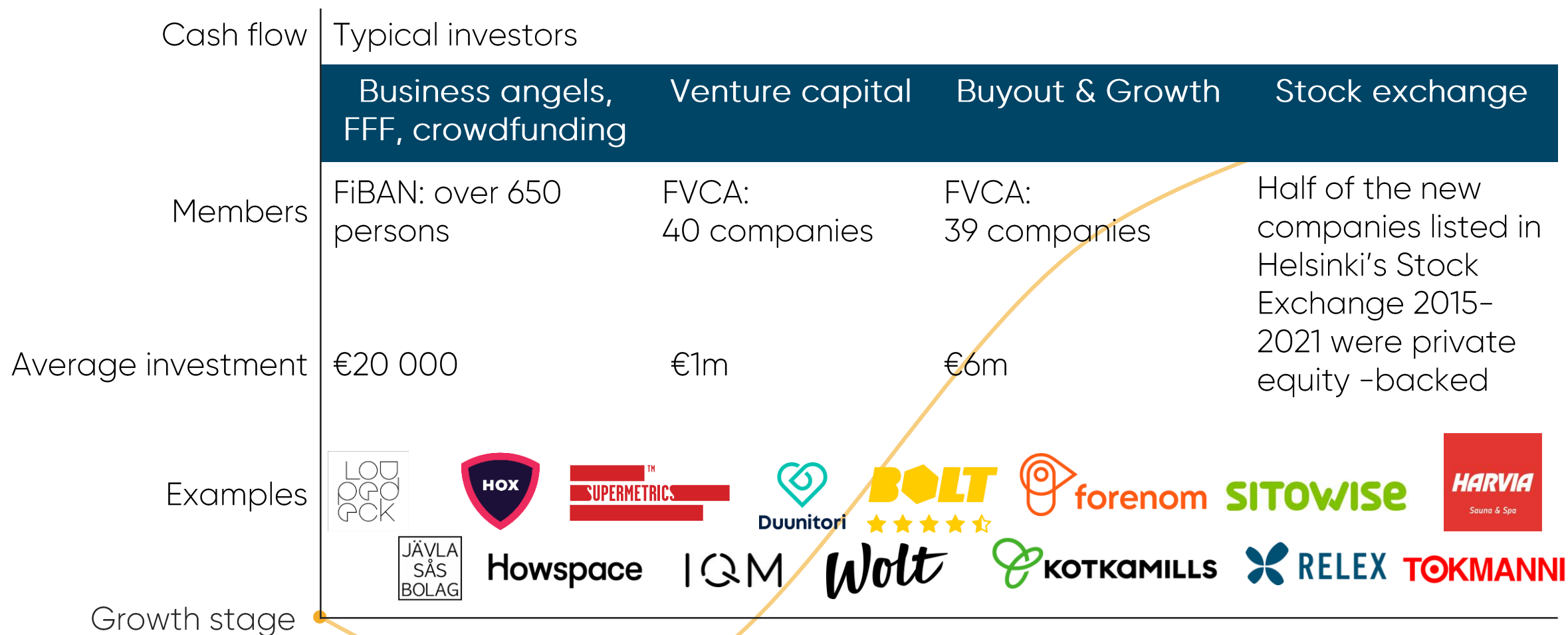
Growth company

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

Buyout & growth

Buyout and growth 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



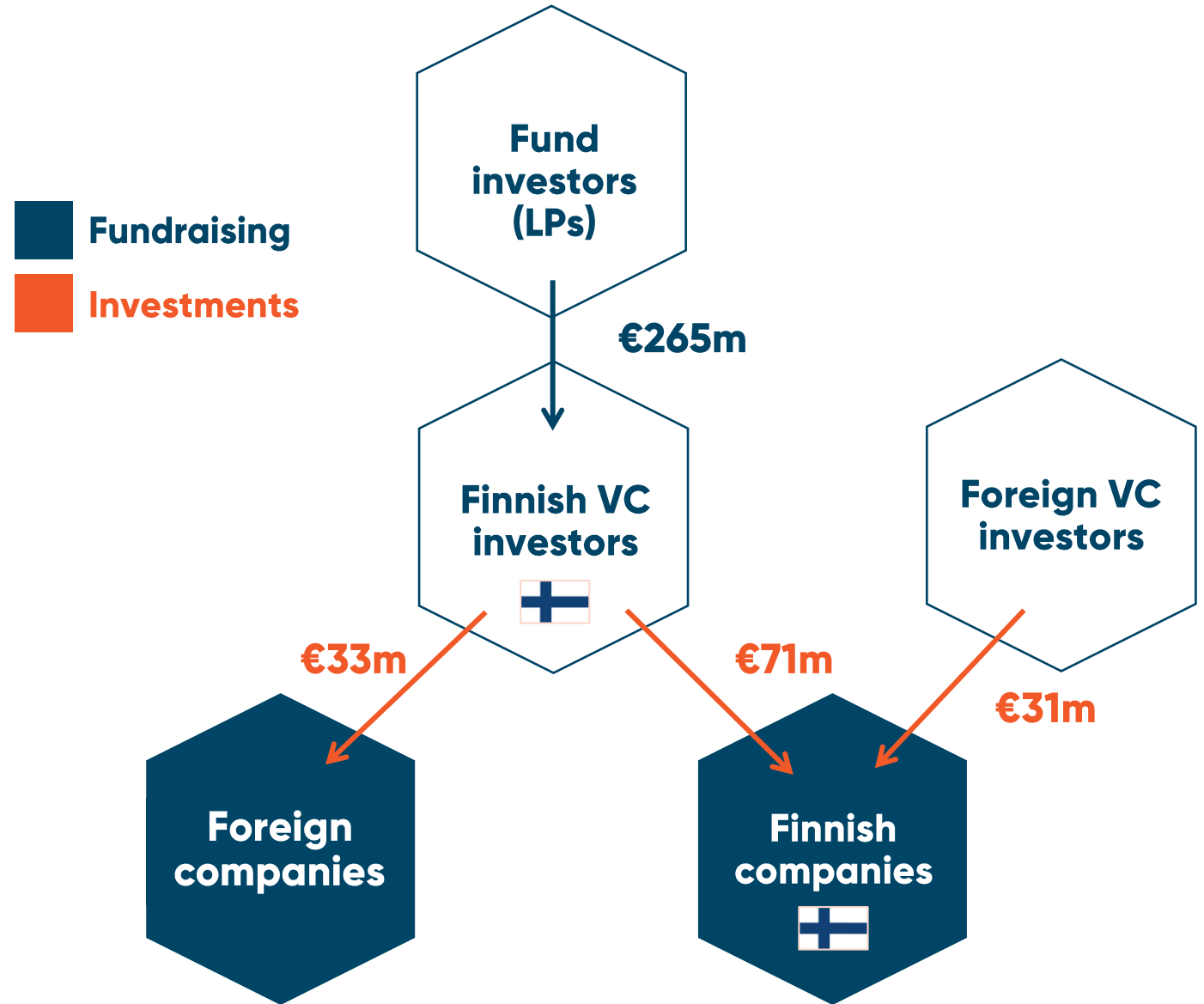
Venture capital H1/2023

€265m

Funds raised to Finnish venture capital funds from LPs.

€104m

Investments made by Finnish VCs.



Venture capital H1/2023

Statistics in brief

- Finnish startups raised a total of **€102m** of venture capital funding, of which **€71m** came from Finnish VCs and **€31m** from foreign VCs.
- A total of **91** Finnish startups raised VC funding.
- In addition, **11** Finnish startups raised a total of **€168m** in later stage VC-growth investments from domestic and foreign investors..
- Finnish VC investors invested a total of **€104m**, of which **€33m** in foreign startups.
- A total of **125** startups received funding from Finnish VC investors.
- Finnish VC funds raised a total of **€265m** in new funds for future investments.



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Investments in Finnish startups

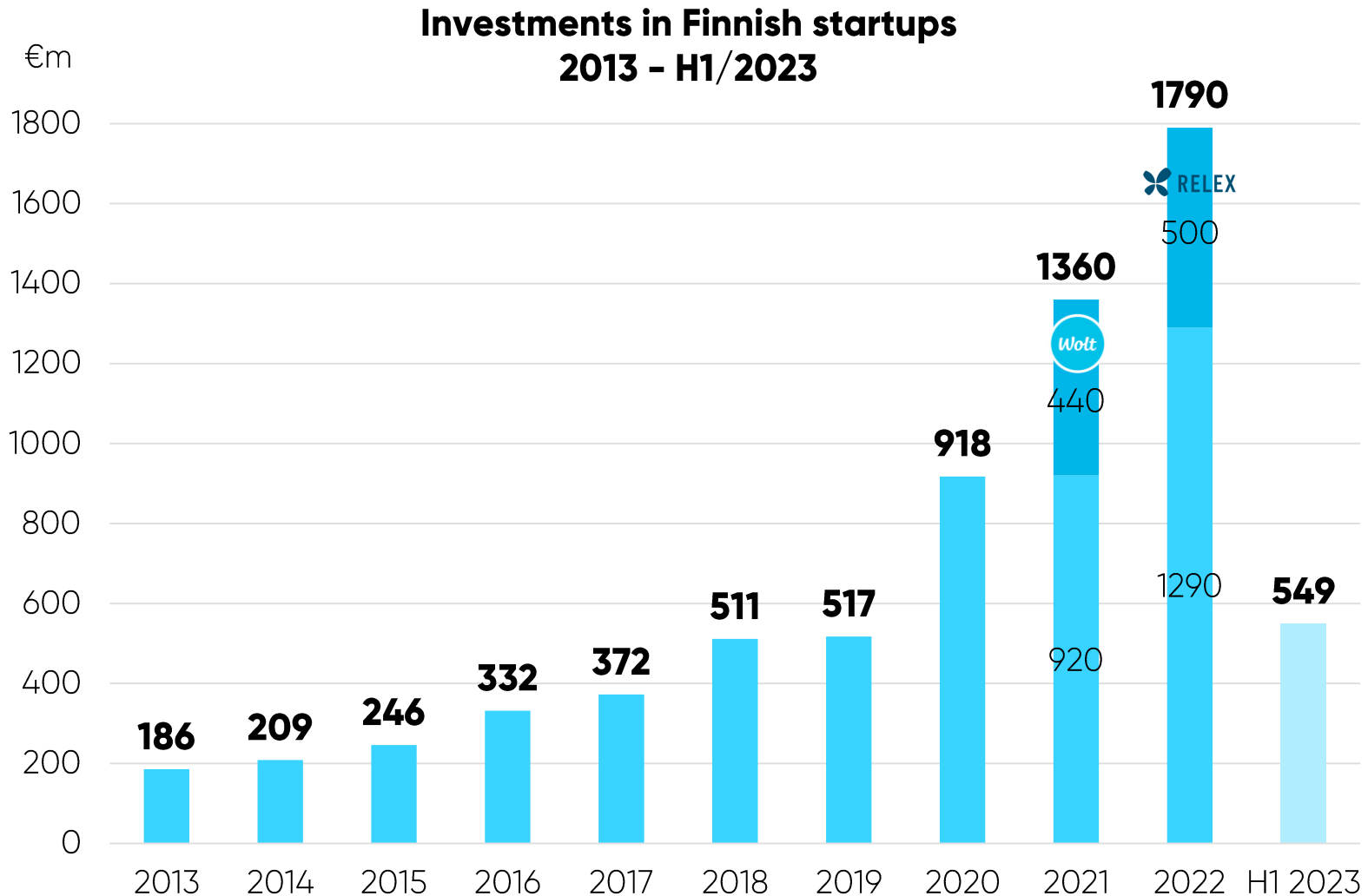
Investments in Finnish startups dropped significantly

€549m

The amount raised by Finnish startups from domestic and foreign investors in the first half of the year.

The amount has dropped significantly, especially when considering the mega-funding rounds of previous years.

Startup funding has similarly declined elsewhere in Europe and the United States.



Includes all equity investments: venture capital, growth investments, angel investments, crowdfunding, other domestic and foreign investments (e.g. corporations)

Sources: FVCA, EDC, FiBAN, Bank of Finland

Examples of investments in Finnish startups H1/2023




The biggest funding rounds in Finnish startups

1.  **RELEX** **€500m** 2022

2.  **Wolt** **€440m** 2021

3.  **aiven** **€200m** 2022


4.  **hmd.** **€195m** 2020

5.  **RELEX** **€175m** 2019

6. *Hostaway* **€162m** 2023

7.  **IQM** **€128m** 2022

8.  **ICEYE** **€120m** 2022

9.  **Wolt** **€110m** 2019

10. **Swappie** **€108m** 2022

11.  **Wolt** **€100m** 2020

12.  **SUPERCCELL** **€98m** 2013

13.  **MariaDB** **€92m** 2022

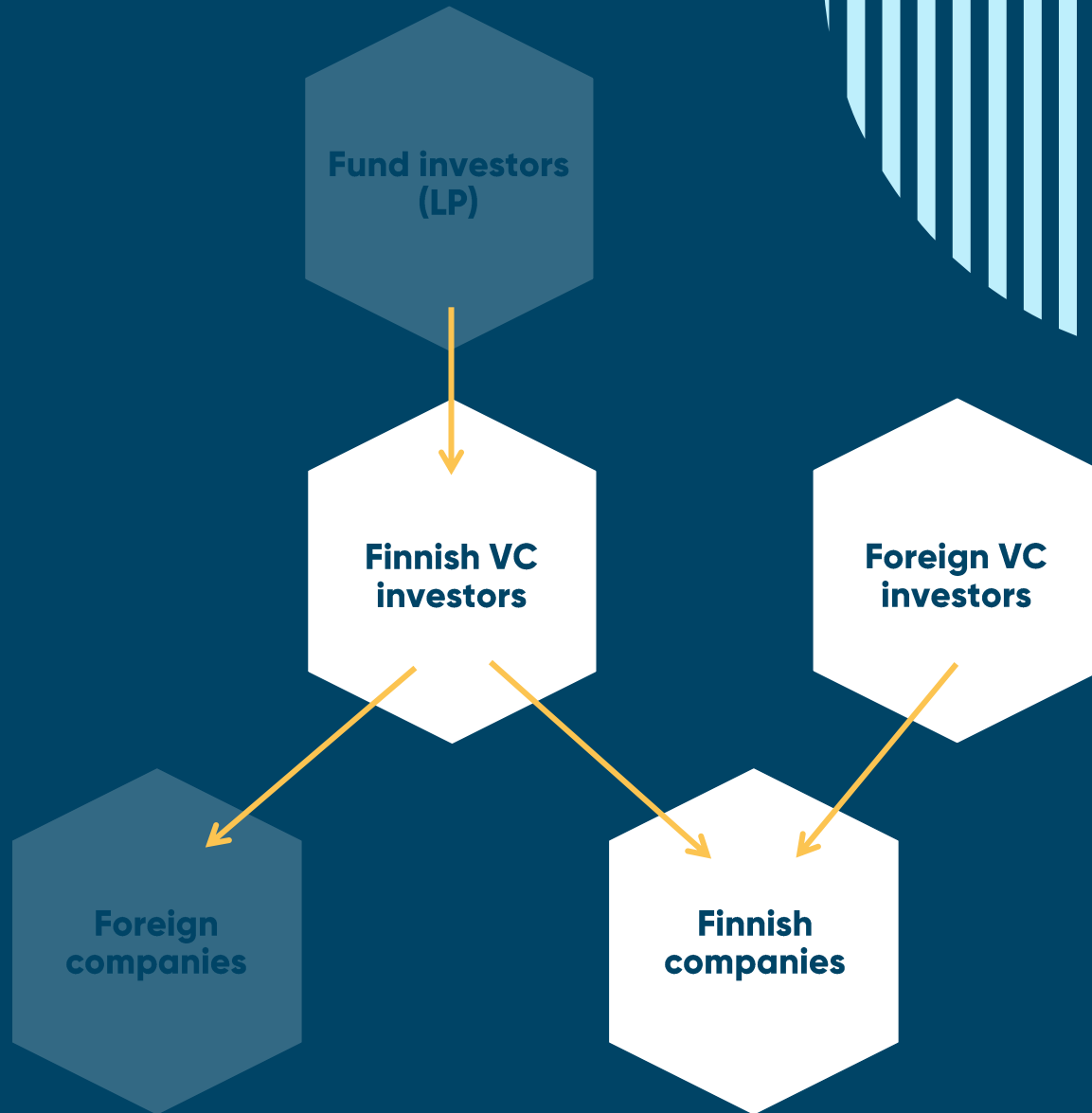
14.  **hmd.** **€86m** 2018

15.  **aiven** **€84m** 2021

Market statistics

Finnish and foreign venture capital investors' activity in Finnish companies

Investments



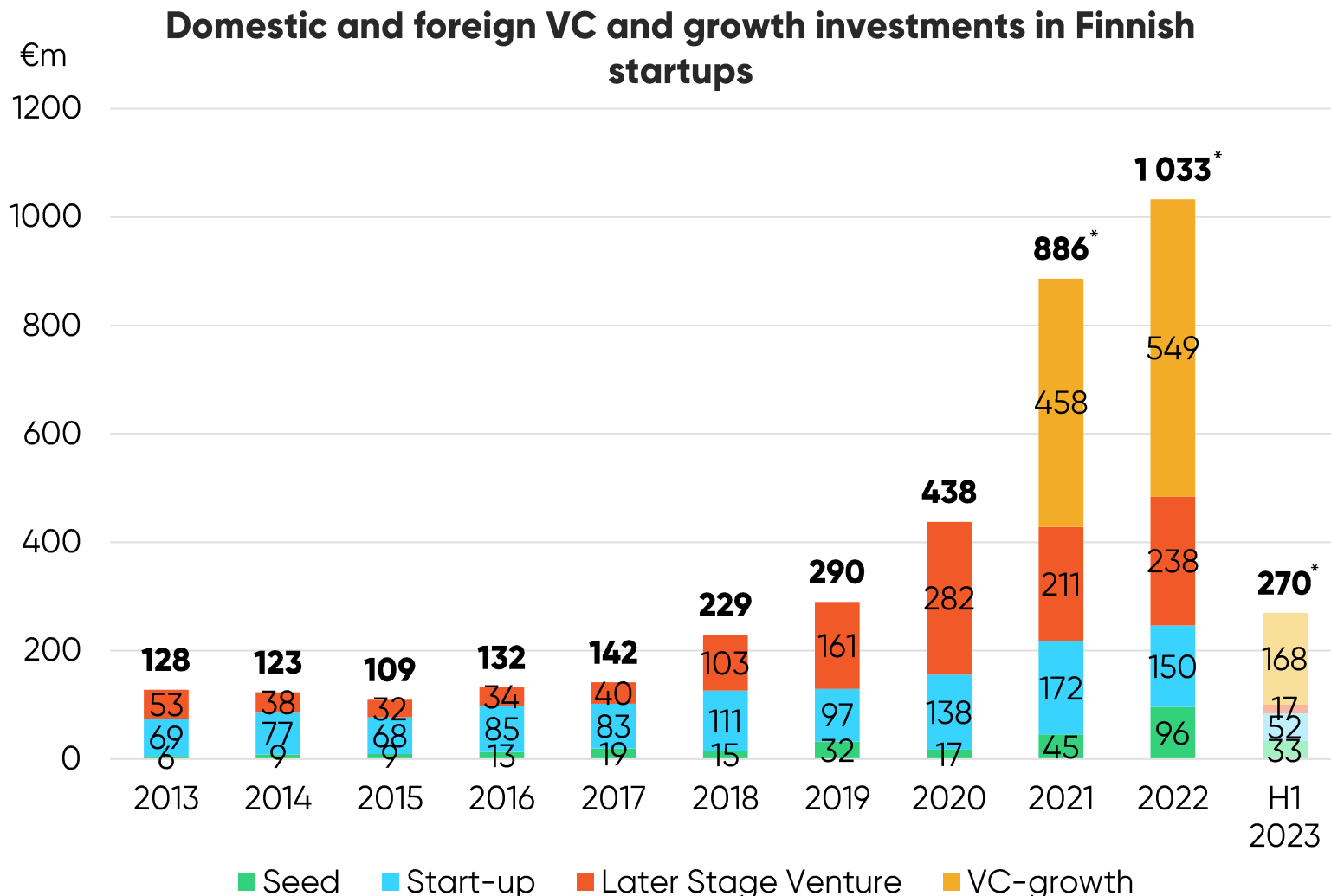
Biggest drop seen in later-stage investments

€270m

Investments raised by Finnish startups from domestic and foreign venture capital and growth investors in H1 2023.

€33m

Seed stage investments continued at a high level.



*VC-growth statistic added to the graph for 2021-2023. See methodology for more information.

Sources: FVCA, EDC

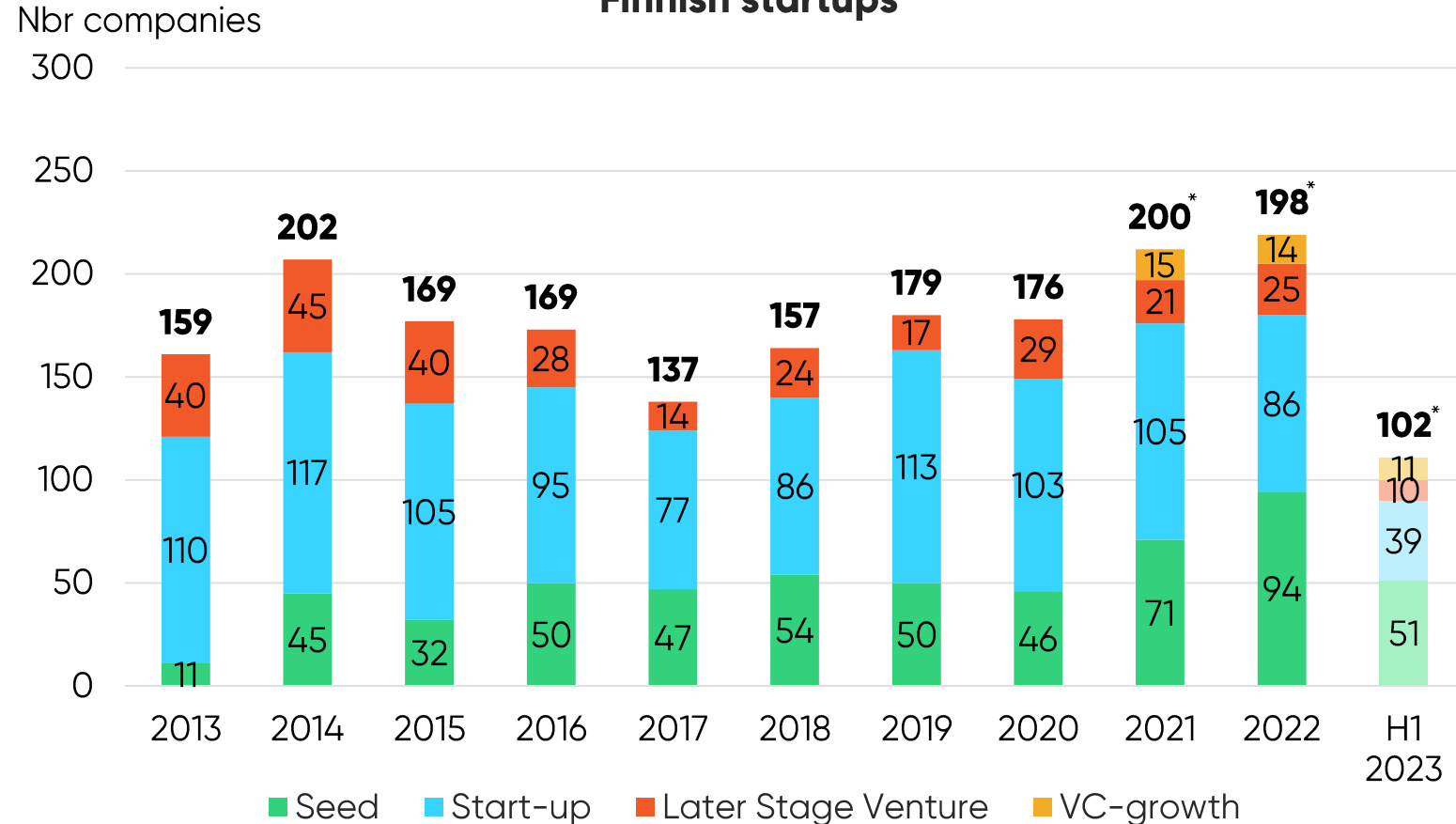
The number of Finnish companies receiving investments stable

102 companies

The number of companies that received domestic or foreign VC and growth investments in H1 remained at the level of previous years.

While the number of companies has remained steady, the amount of funding decreased significantly in the early part of the year.

Domestic and foreign VC and growth investments in Finnish startups



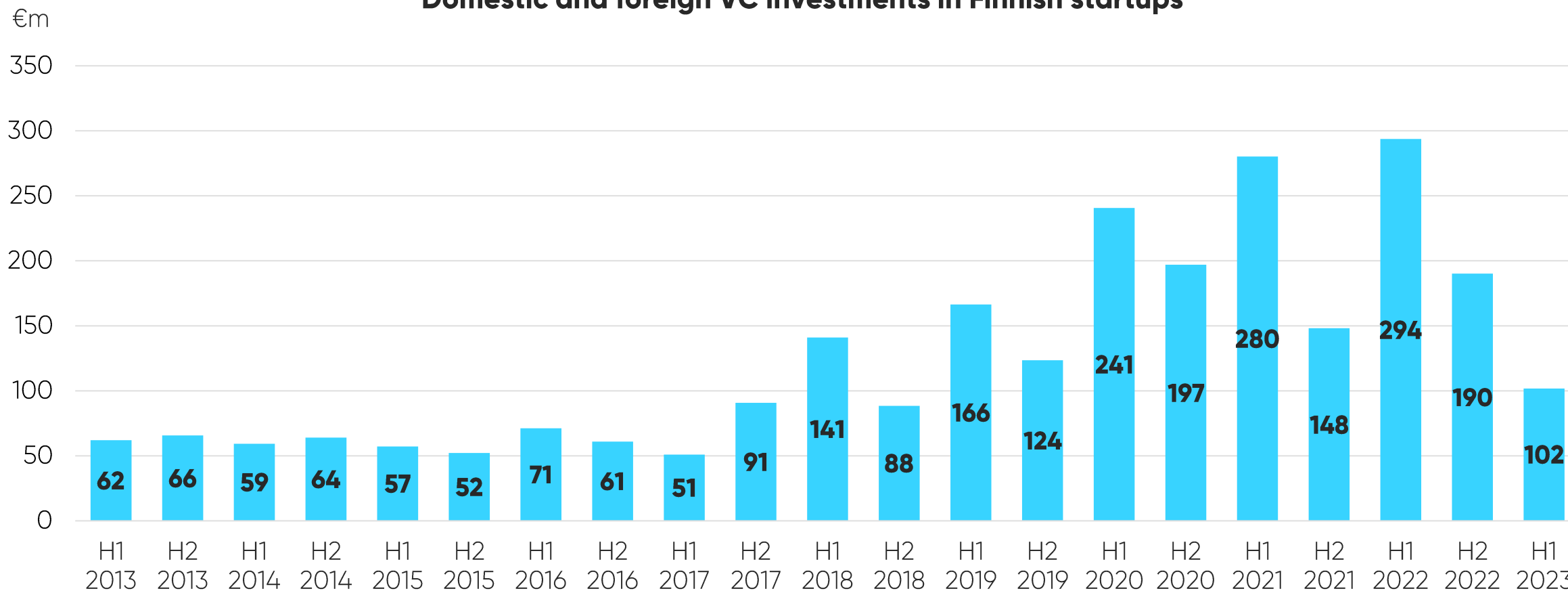
*VC-growth statistic added to the graph for 2021-2023. See methodology for more information.

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

€102 million to Finnish startups in January-June 2023

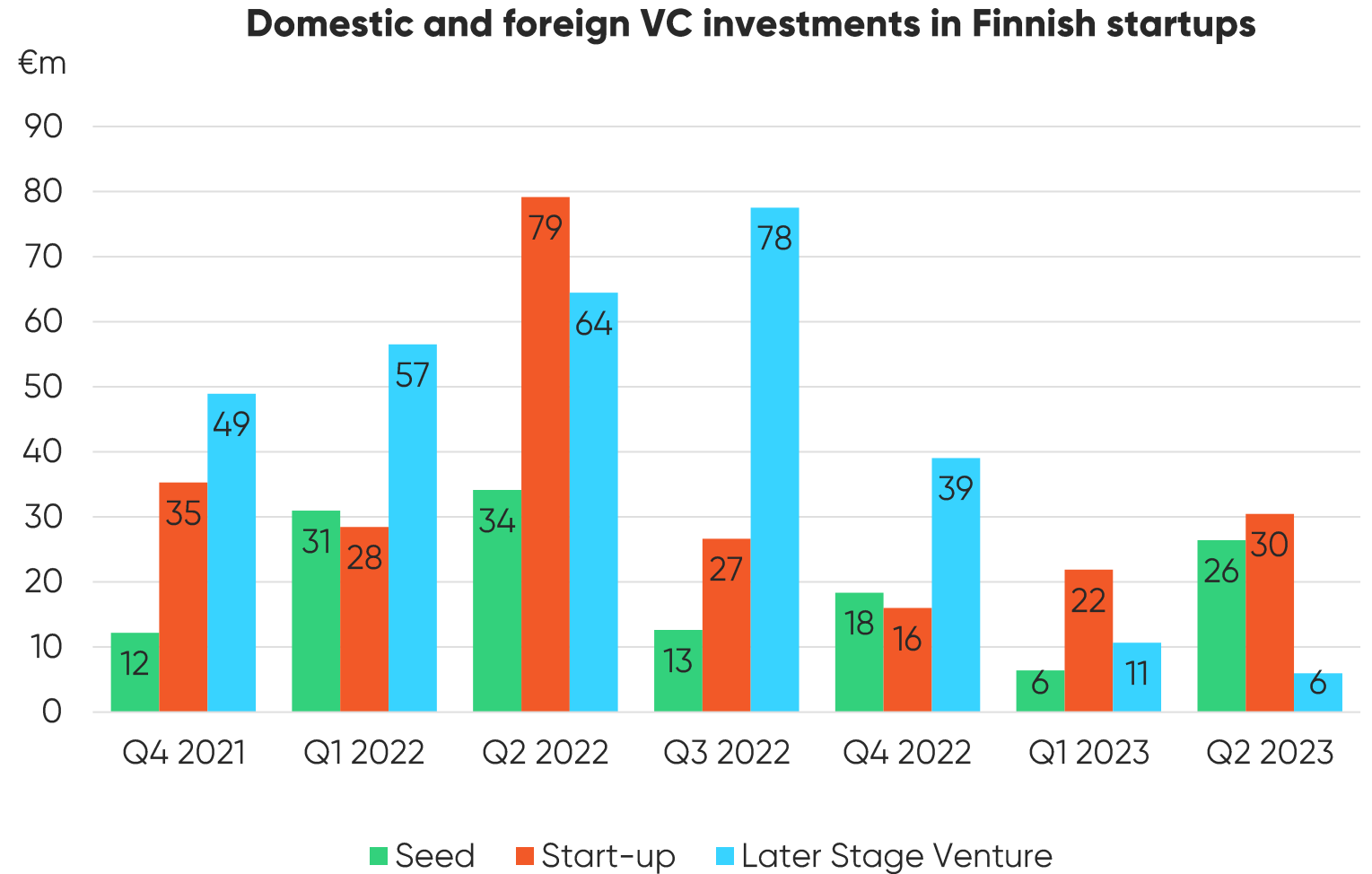
Domestic and foreign VC investments in Finnish startups



Later-stage investments in decline – early-stage picking up

Examining VC investments on a quarterly basis provides a more detailed picture of the decline in later-stage investments.

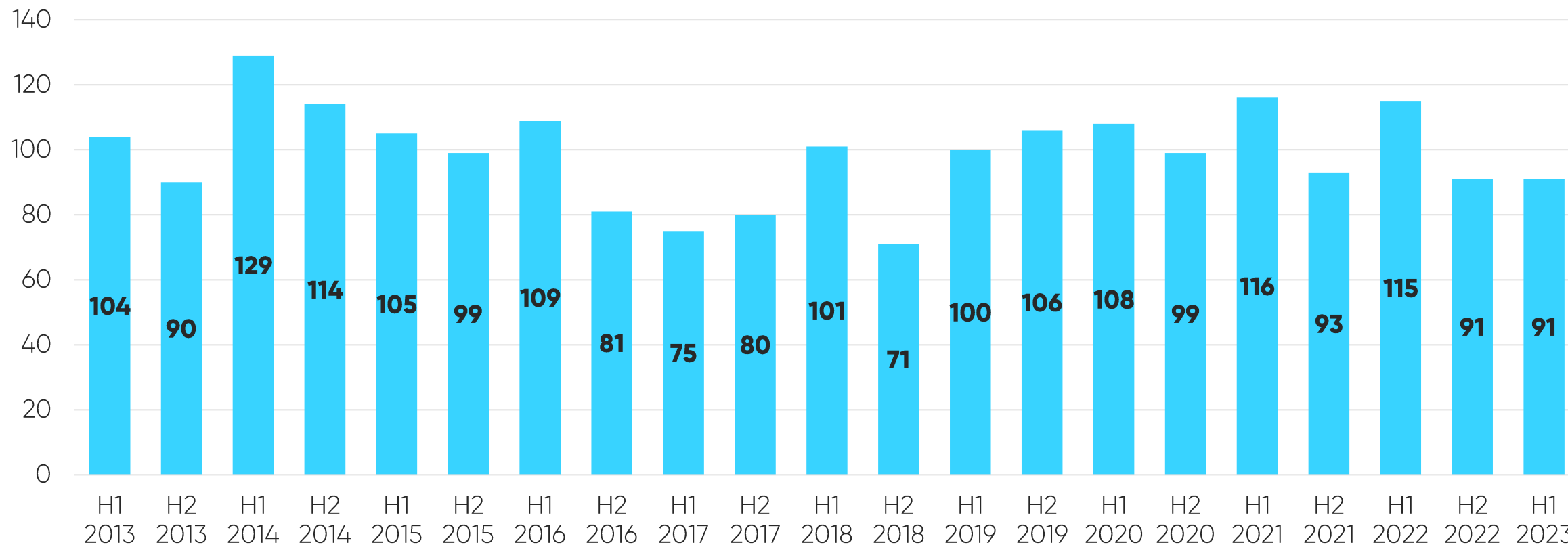
Seed and early-stage investments have turned upward and are at a historically good level.



91 Finnish startups received VC investment in January-June 2023

Domestic and foreign VC investments in Finnish startups

Nbr companies



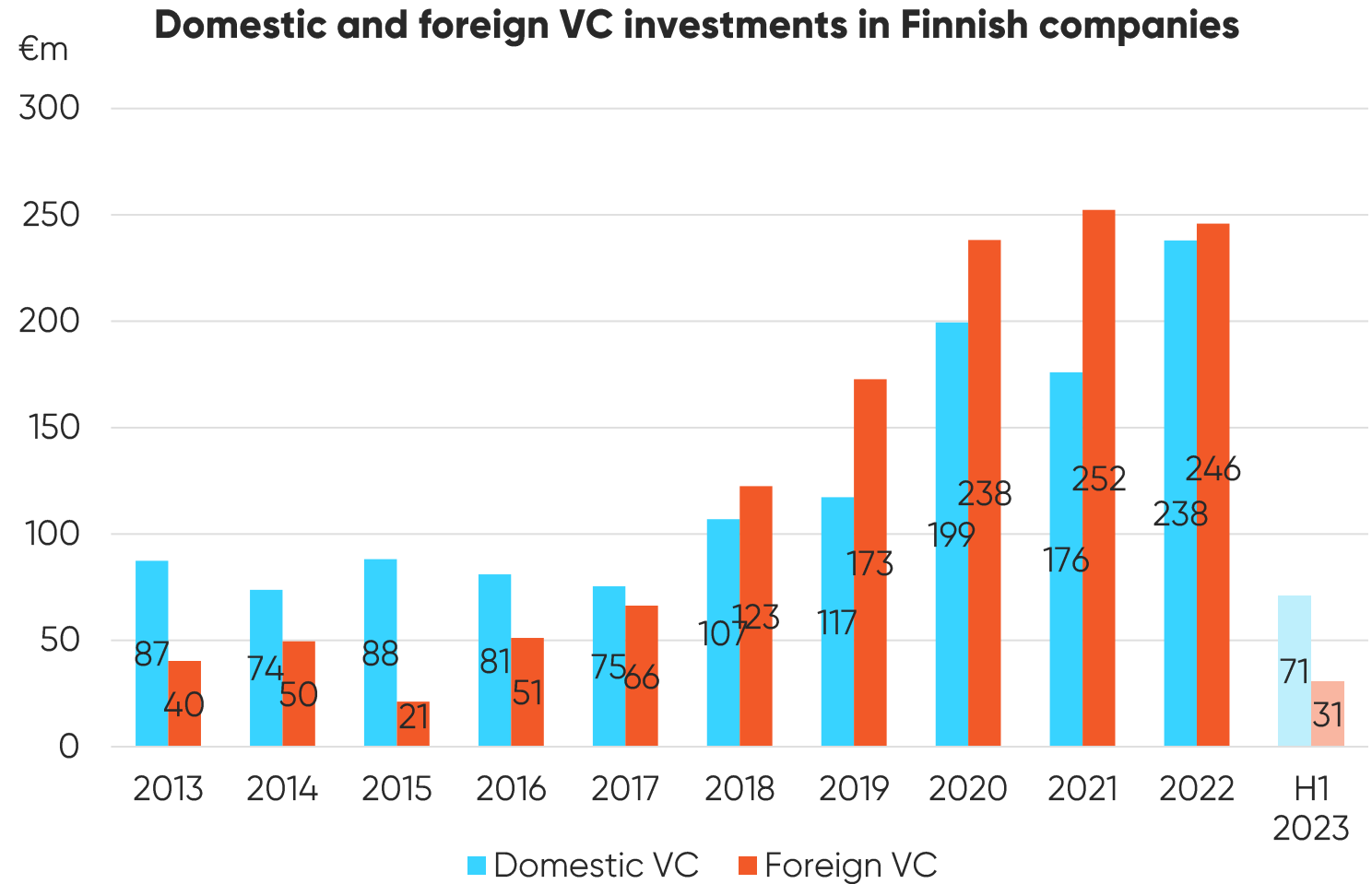
Foreign investments in Finnish startups declined the most

€71m

The amount invested by Finnish VCs declined from previous years.

€31m

Foreign VC investments in Finnish startups decreased more in comparison to domestic ones.



The number of foreign VC investments declined

87 companies

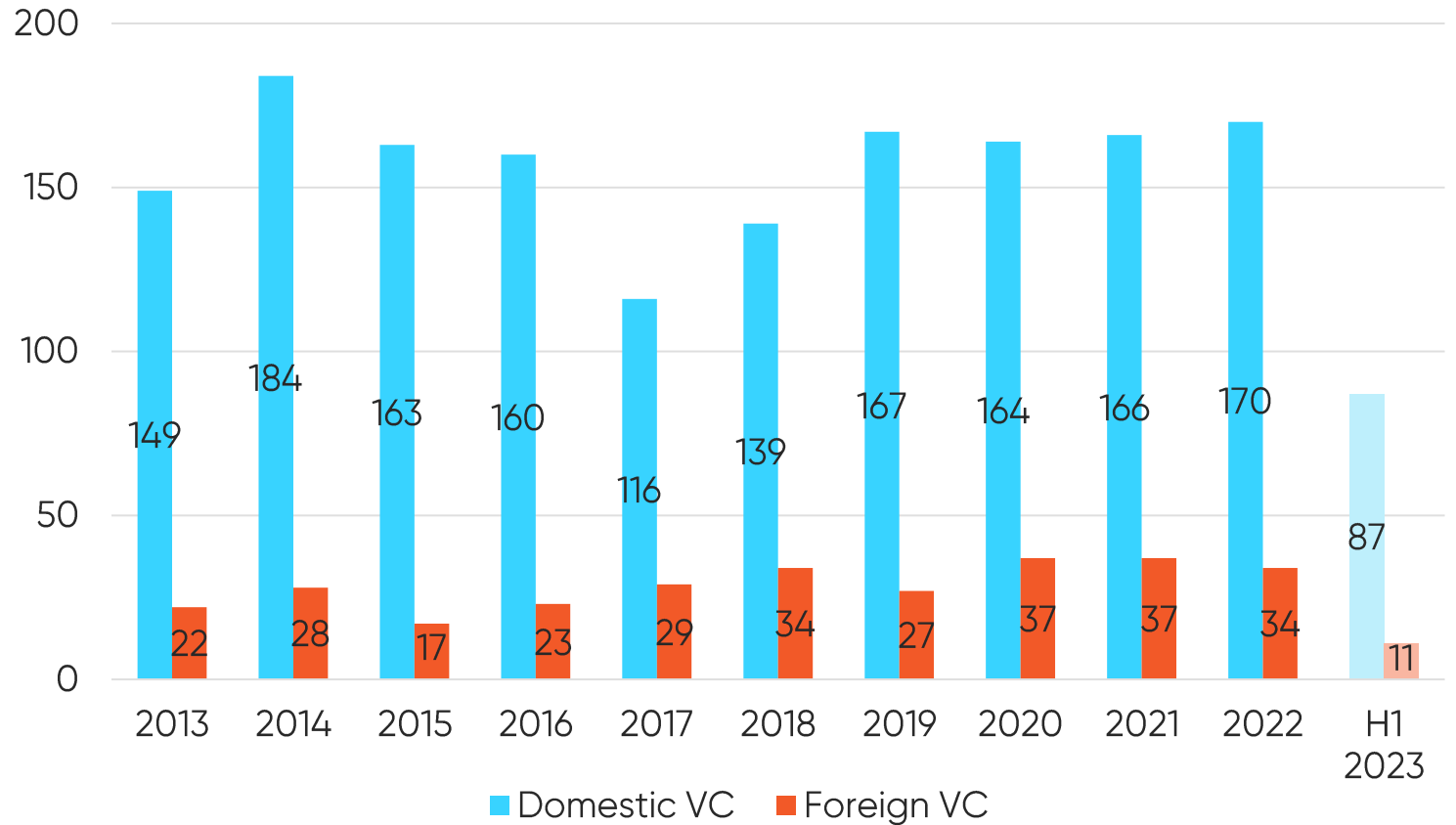
The number of startups receiving domestic VC investments stayed at the level of previous years.

11 companies

A decline in both the number of deals and the amount invested is noticeable in foreign VC investments in the first half of 2023.

Domestic and foreign VC investments into Finnish companies

Nbr companies



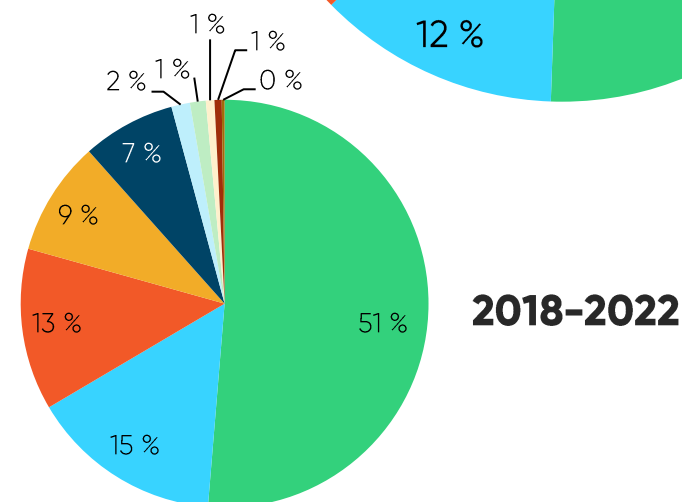
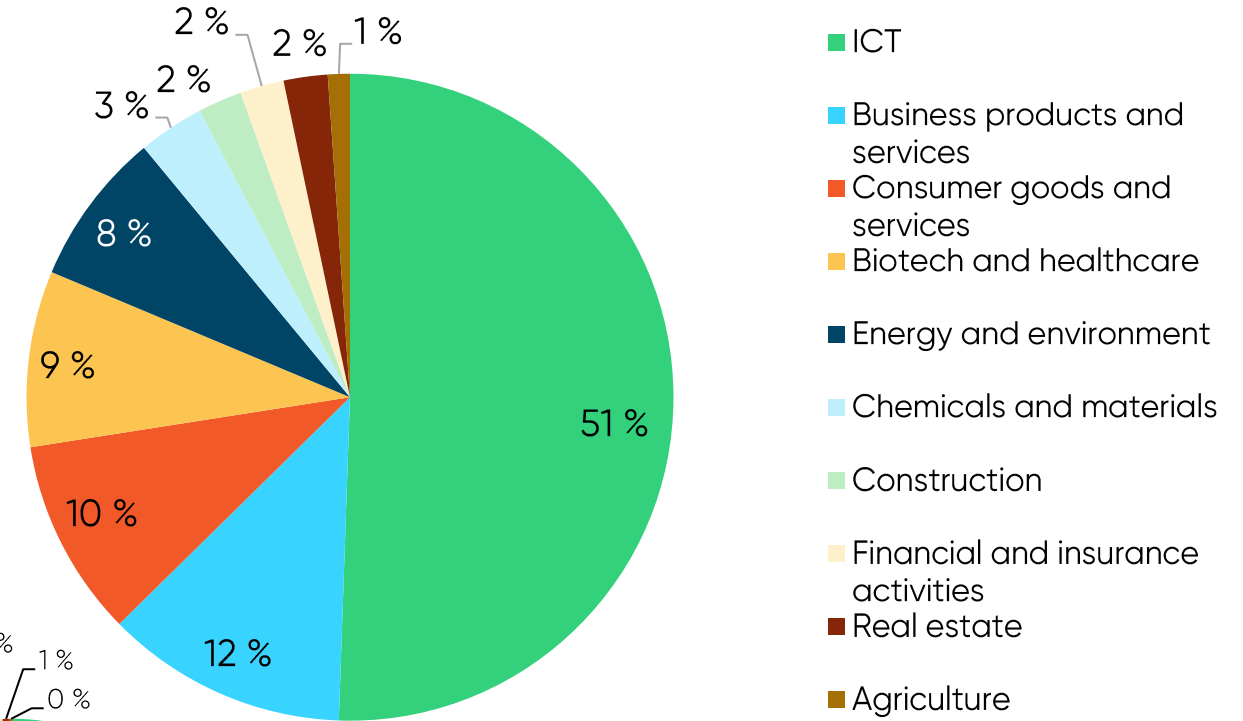
ICT companies received the most investments

51%

Approximately half of the companies that received VC investments during the first half of the year operate in the ICT sector.

The ICT sector includes, for example, software, applications, communication and computer technology, as well as electronics.

**VC investments in Finnish companies by industry H1/2023
(nbr companies)**



Sources: FVCA, EDC

Divestments

Venture capital investors' exits from Finnish companies

14 companies

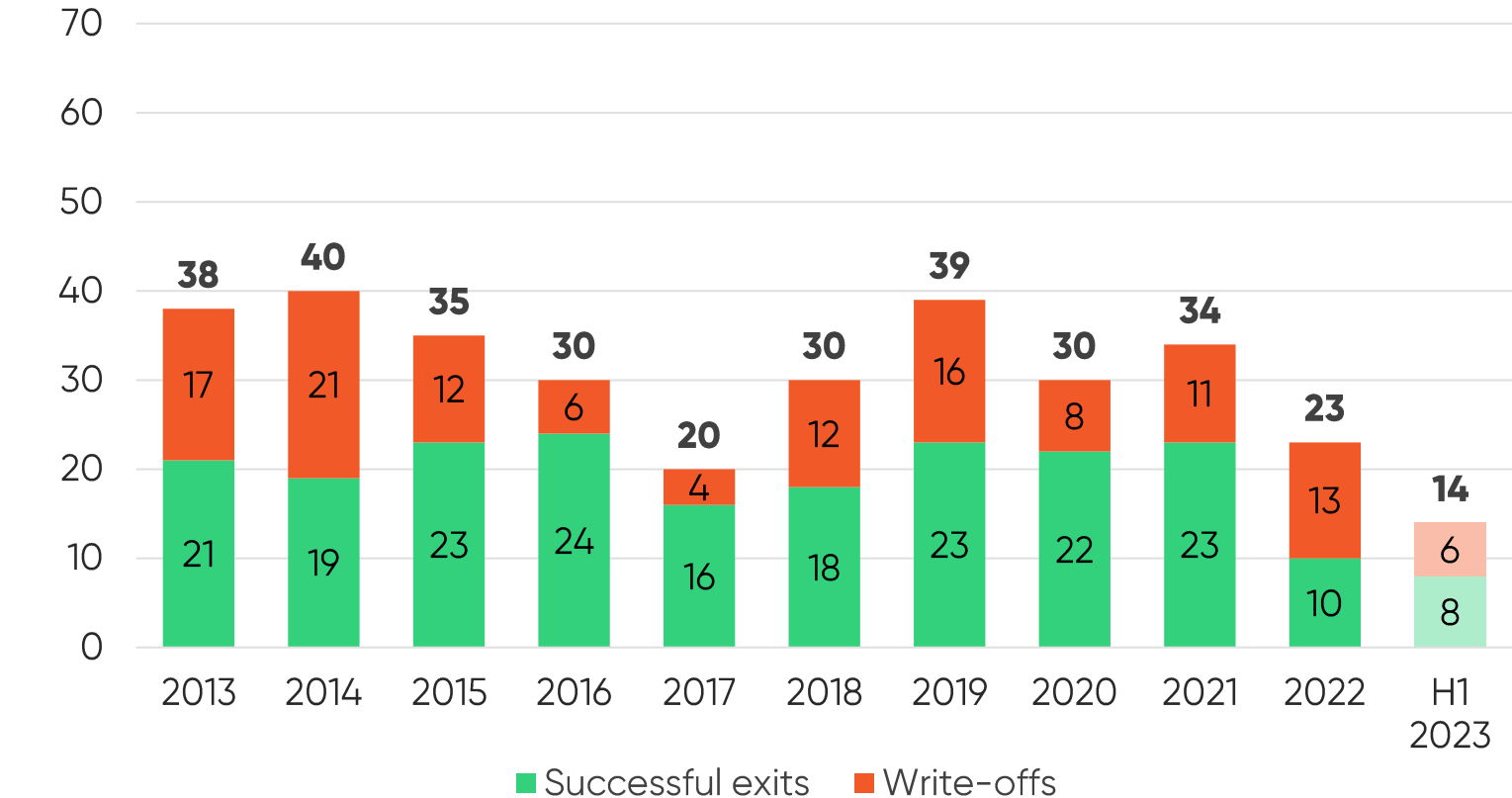
were exited in January–June 2023.

42%

of exits were write-offs, which is near previous years' average.

VC exits from Finnish startups

Nbr companies





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Industry statistics

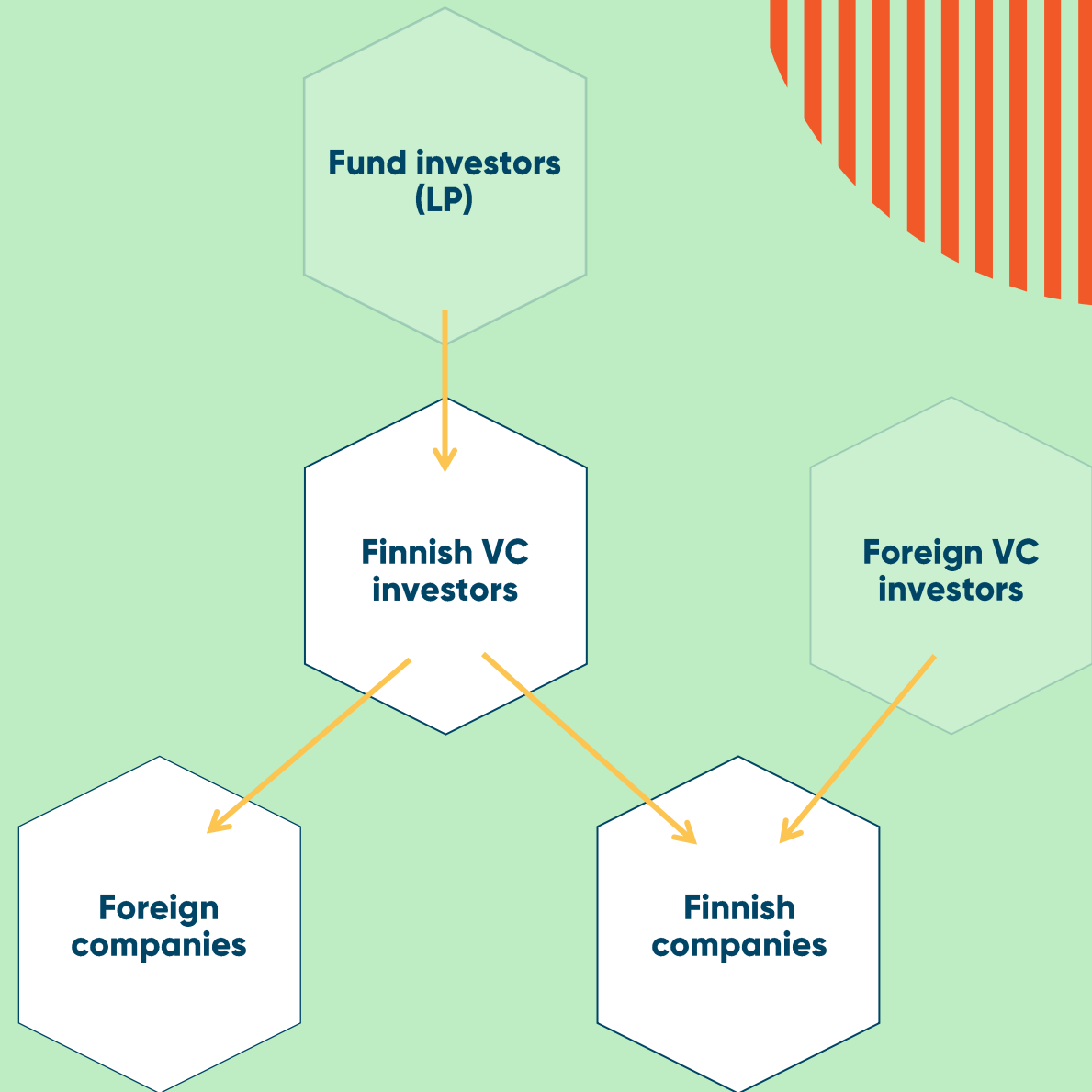
Finnish venture capital investors' activity in Finland and abroad



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Investments



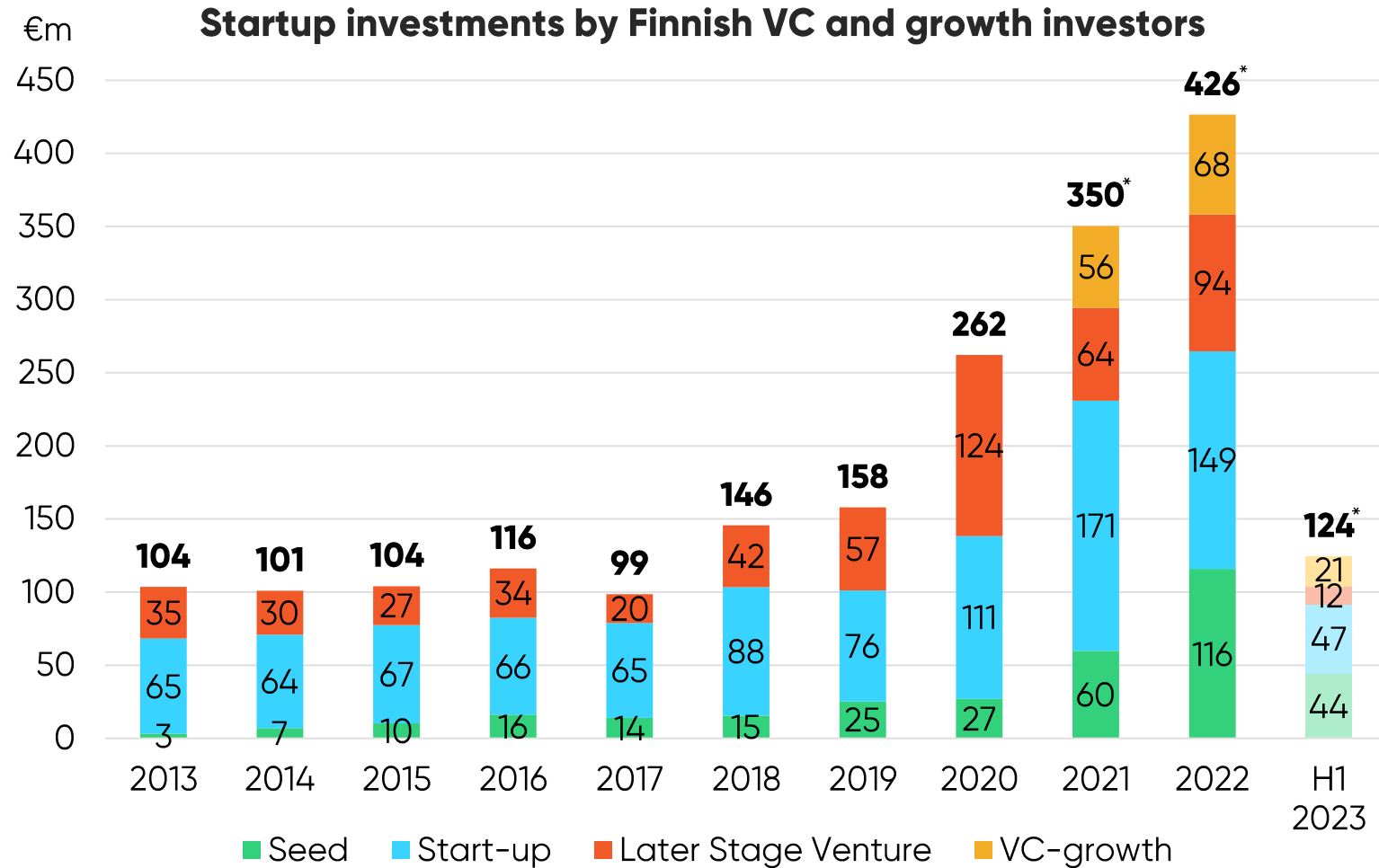
Amount invested by Finnish VC and growth investors declined

€124m

The amount invested by Finnish VC and growth investors in domestic and foreign startups has decreased in the first half of the year.

€44m

Seed stage investments has remained at a historically high level.



*VC-growth statistic added to the graph for 2021-2023. See methodology for more information.

Sources: FVCA, EDC

Number of investments has remained stable

131 companies

received an investment from a Finnish VC or growth investor.

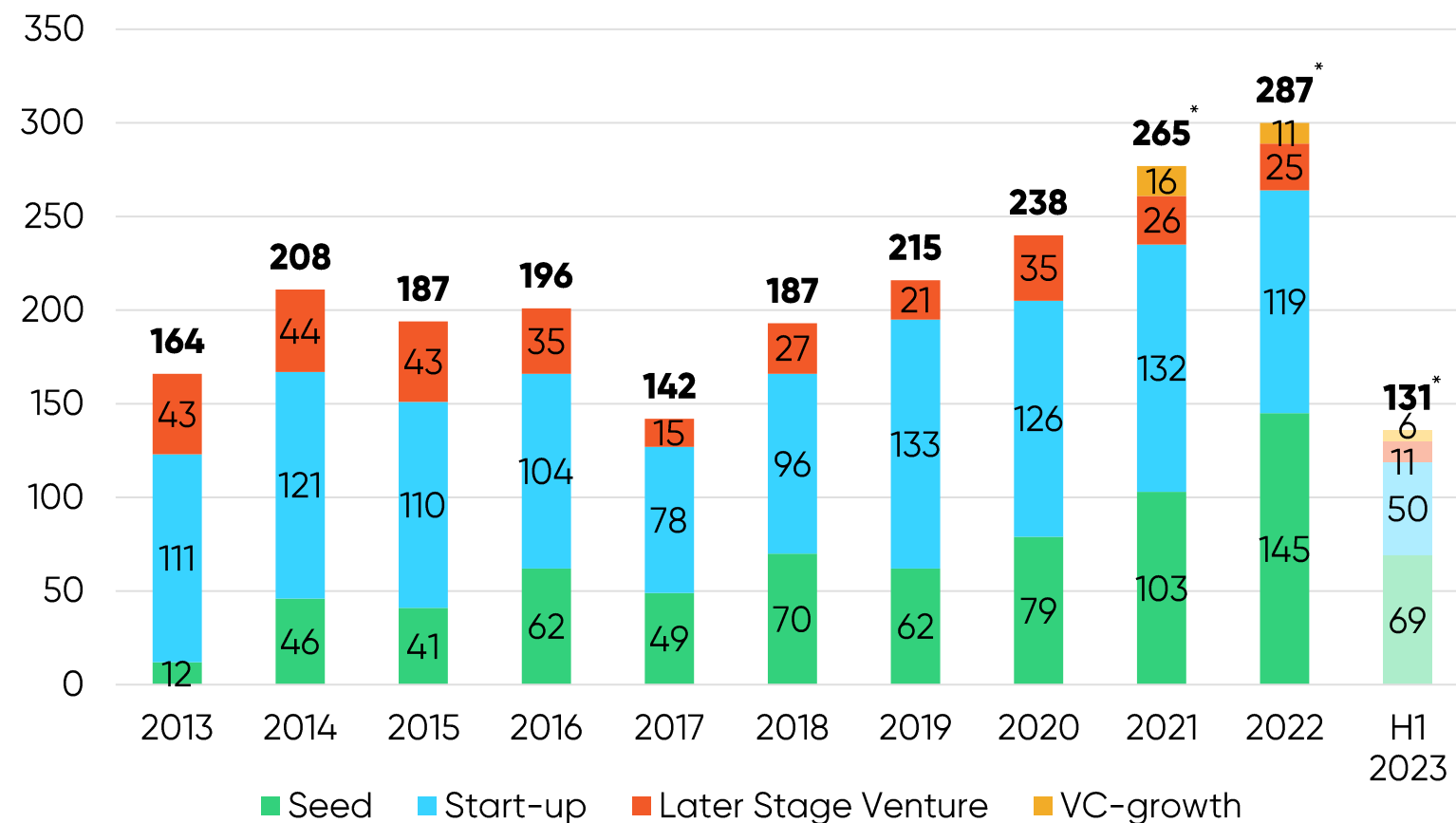
69 companies

in the early stage of operations received an investment from a Finnish VC or growth investor.

While the number of companies has remained steady, the amount of funding decreased significantly in the early part of the year.

Startup investments by Finnish VC and growth investors

Nbr companies



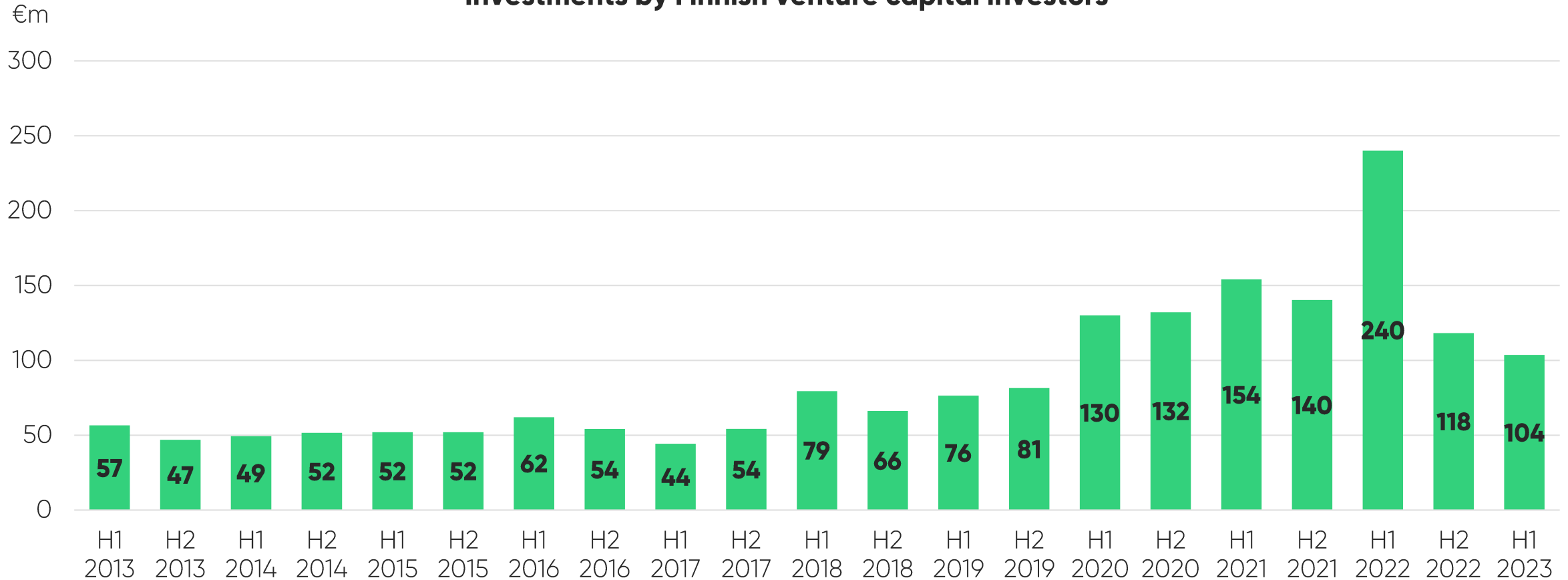
*VC-growth statistic added to the graph for 2021-2023. See methodology for more information.

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 investors invested a total of €104 million in January-June 2023

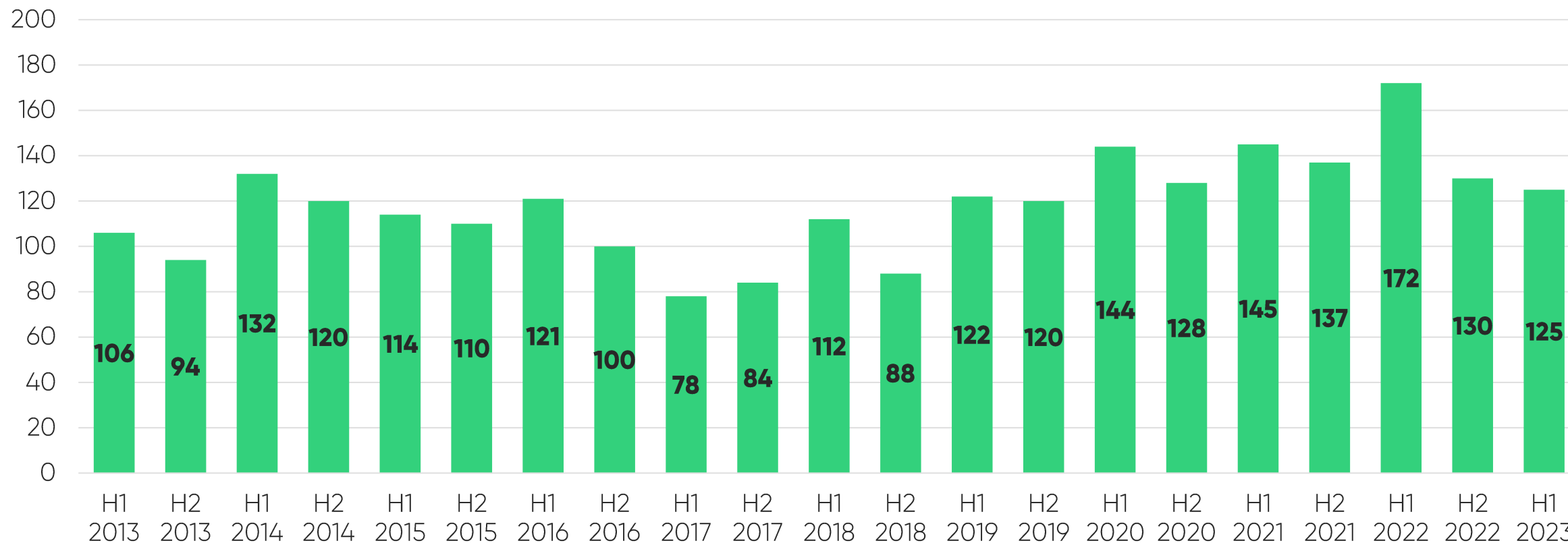
Investments by Finnish venture capital investors



Finnish venture capital investors invested in 125 startups in January-June 2023

Investments by Finnish venture capital investors

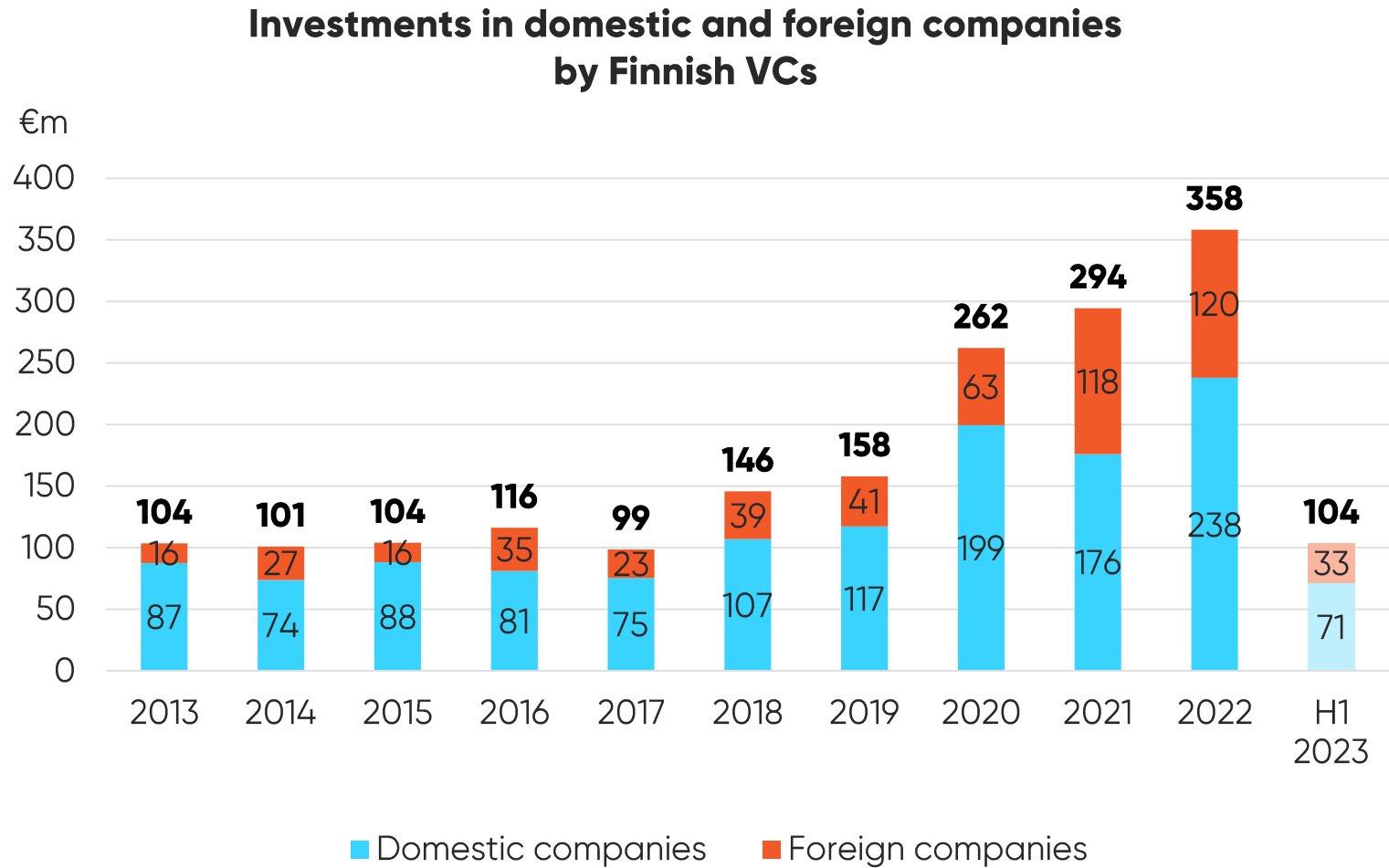
Nbr companies



Share invested in foreign startups remained at the previous level

€33m

Amount invested by Finnish VC investors in foreign startups.



Number of investments made in foreign startups declined slightly

38 foreign companies

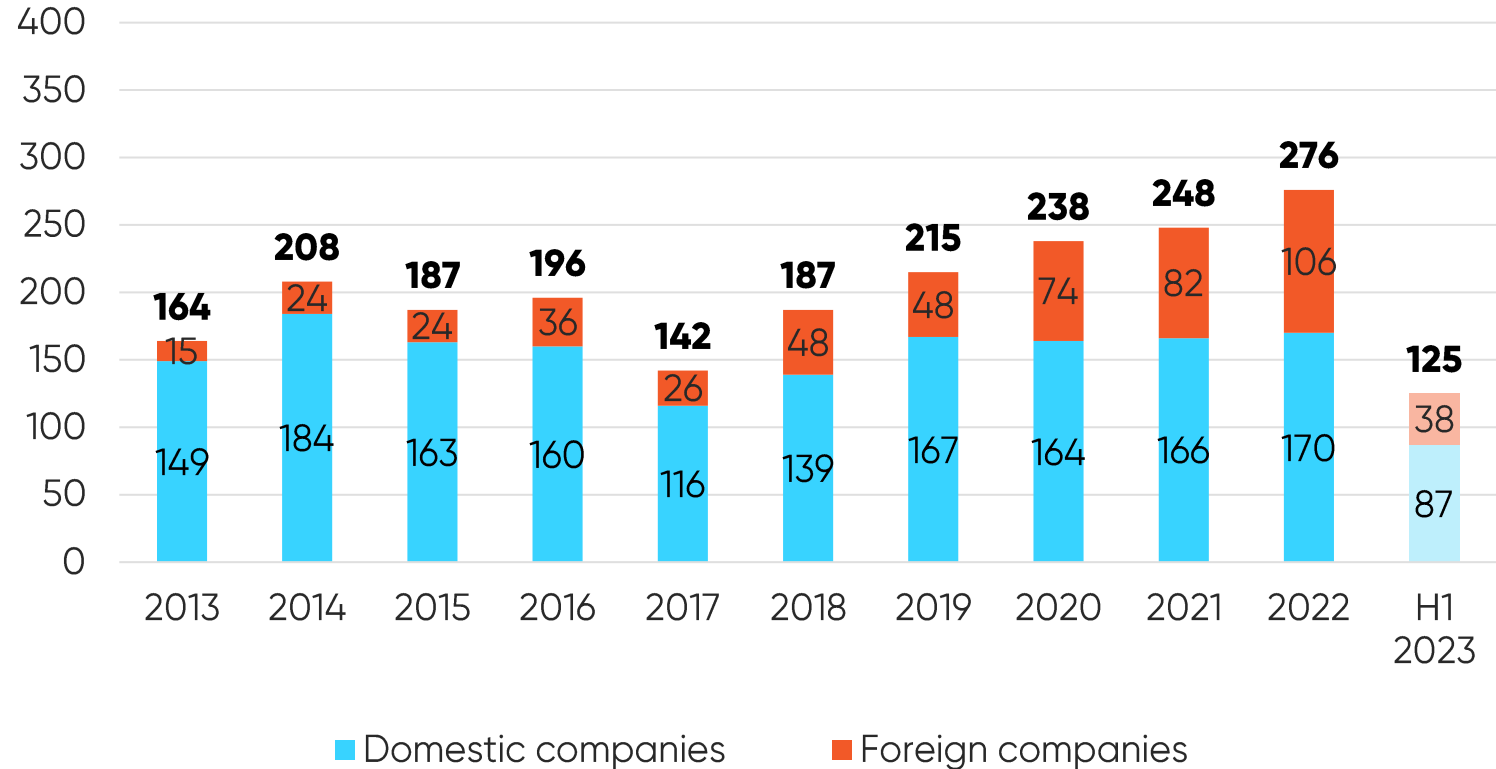
received investments from Finnish VC investors.

87 domestic companies

The number of Finnish startups that received investments from domestic VC investors remained consistent with previous years.

Investments in domestic and foreign companies by Finnish VCs

Nbr companies





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Divestments

Both successful exits and write-offs in the first half of 2023

9 companies

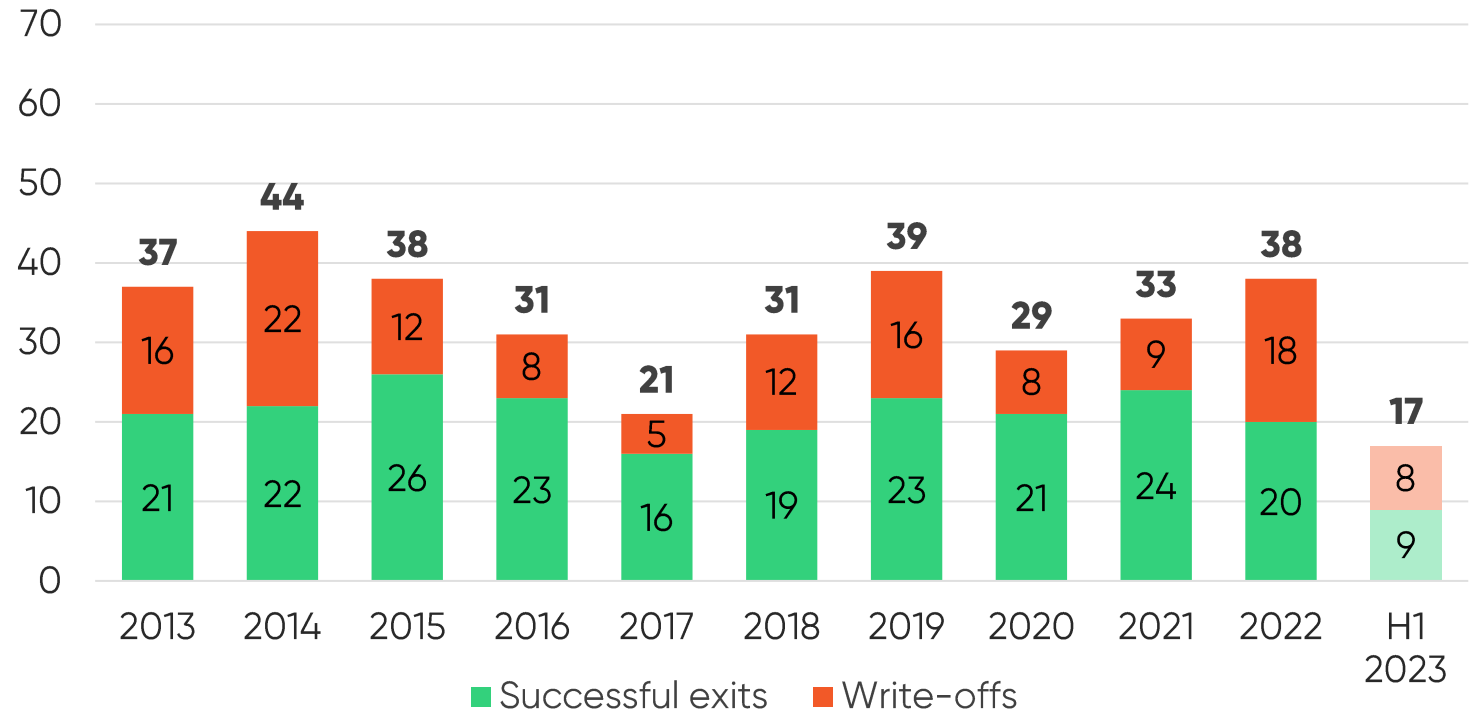
were successfully exited in January-June 2023.

47%

of exits were write-offs, which is at the level of last year, but above the average of previous years.

Divestments by Finnish venture capital investors

Nbr companies

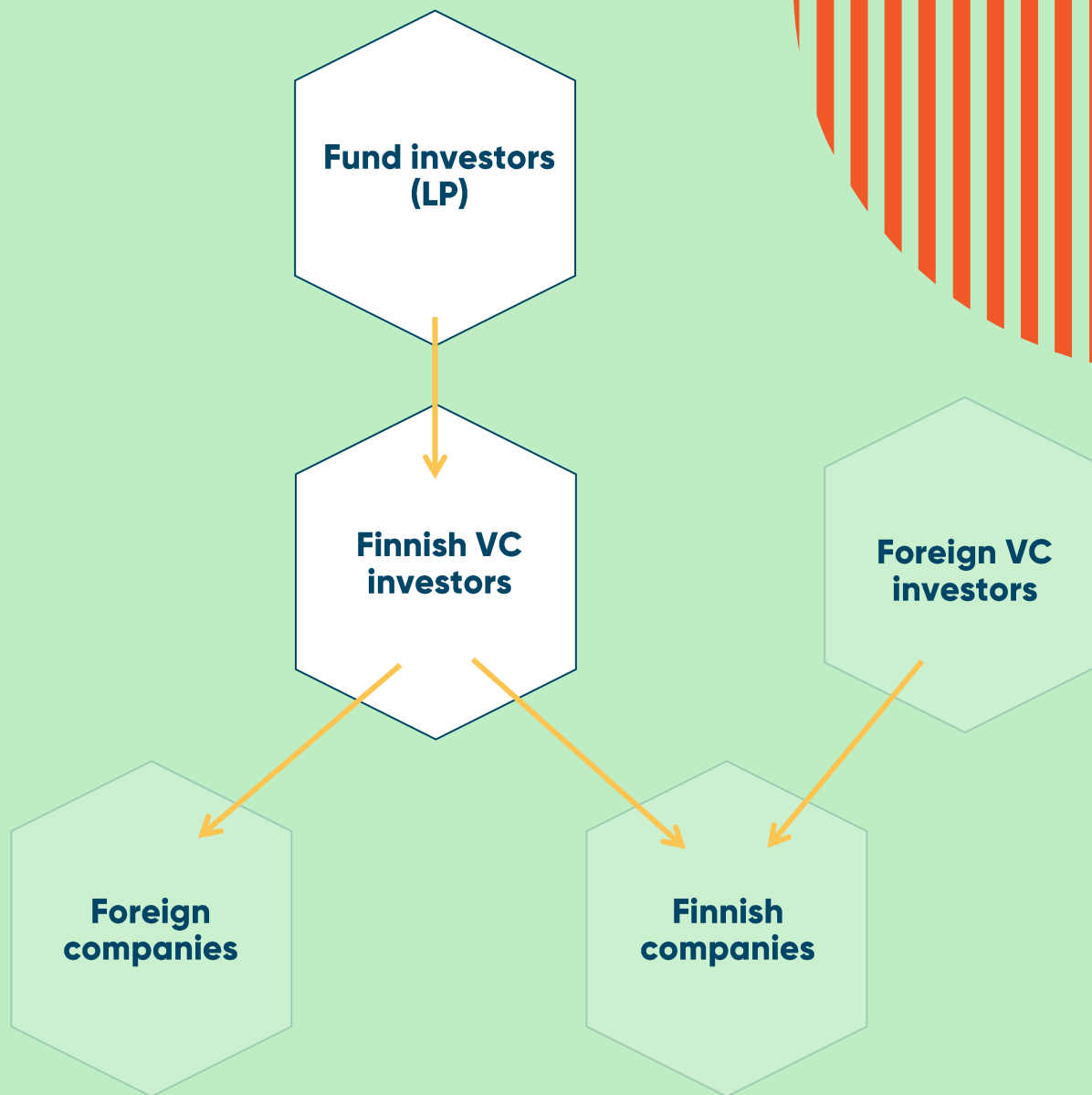




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Fundraising



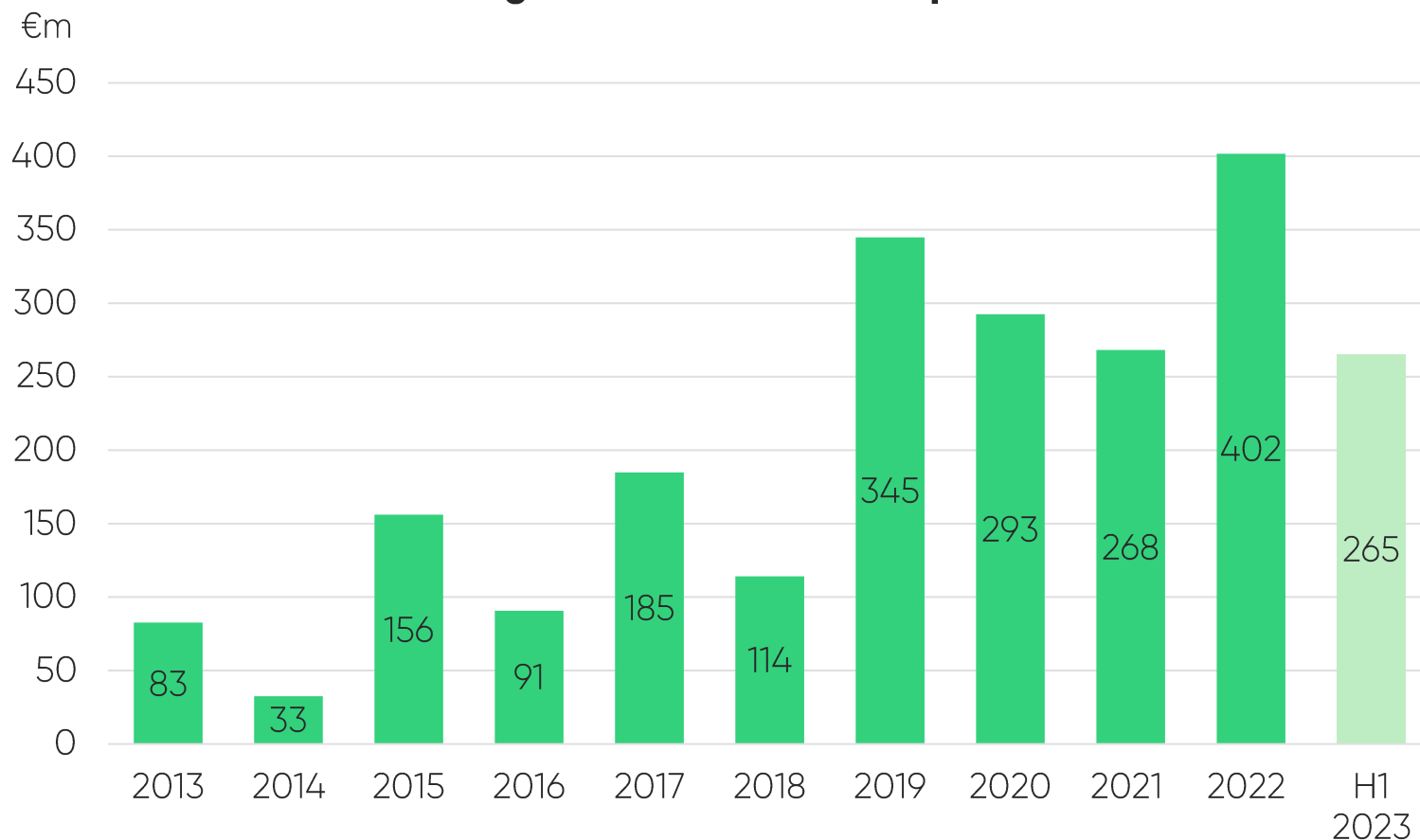
Record fundraising for Finnish VC funds

€265m

of funds raised in Finnish VC funds in the first half of 2023.

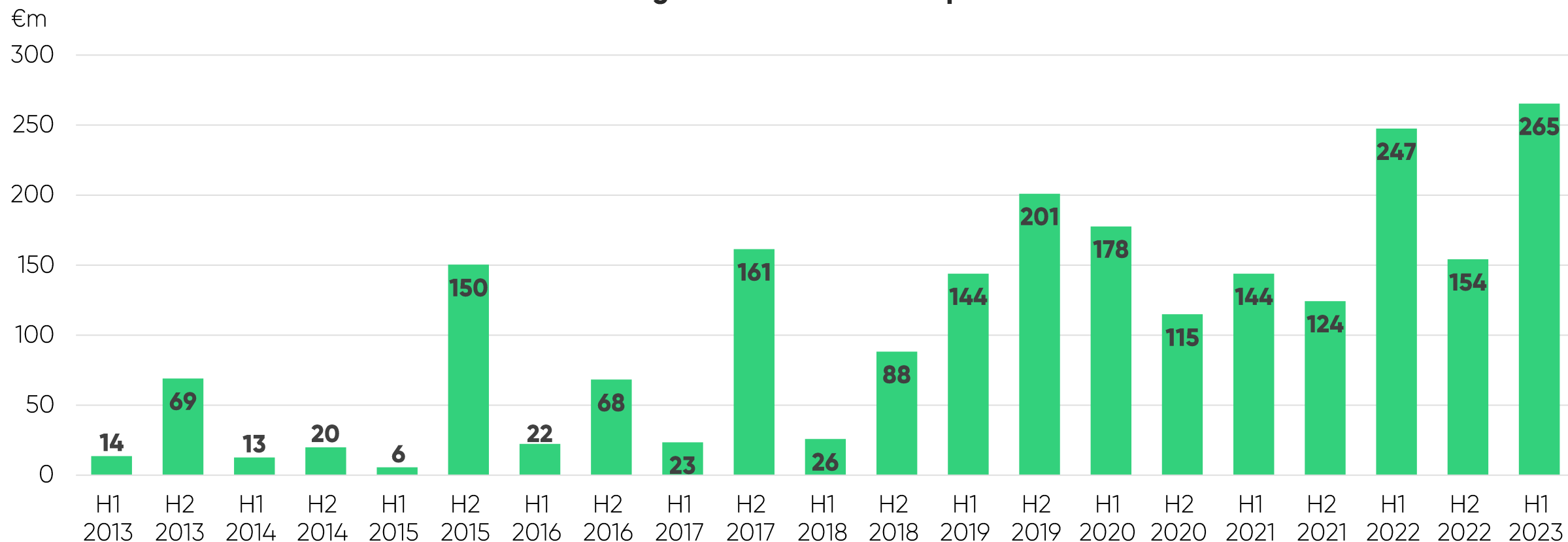
New funds were published by Lifeline Ventures (€150m) and Voima Ventures (€90m+) in January-June 2023.

Fundraising of Finnish venture capital funds



Fundraising of Finnish venture capital funds in 2013-2023

Fundraising of Finnish venture capital funds





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Summary of Finnish venture capital and private equity statistics

Venture capital, growth & buyout H1 2023

All private equity H1/2023

€272m

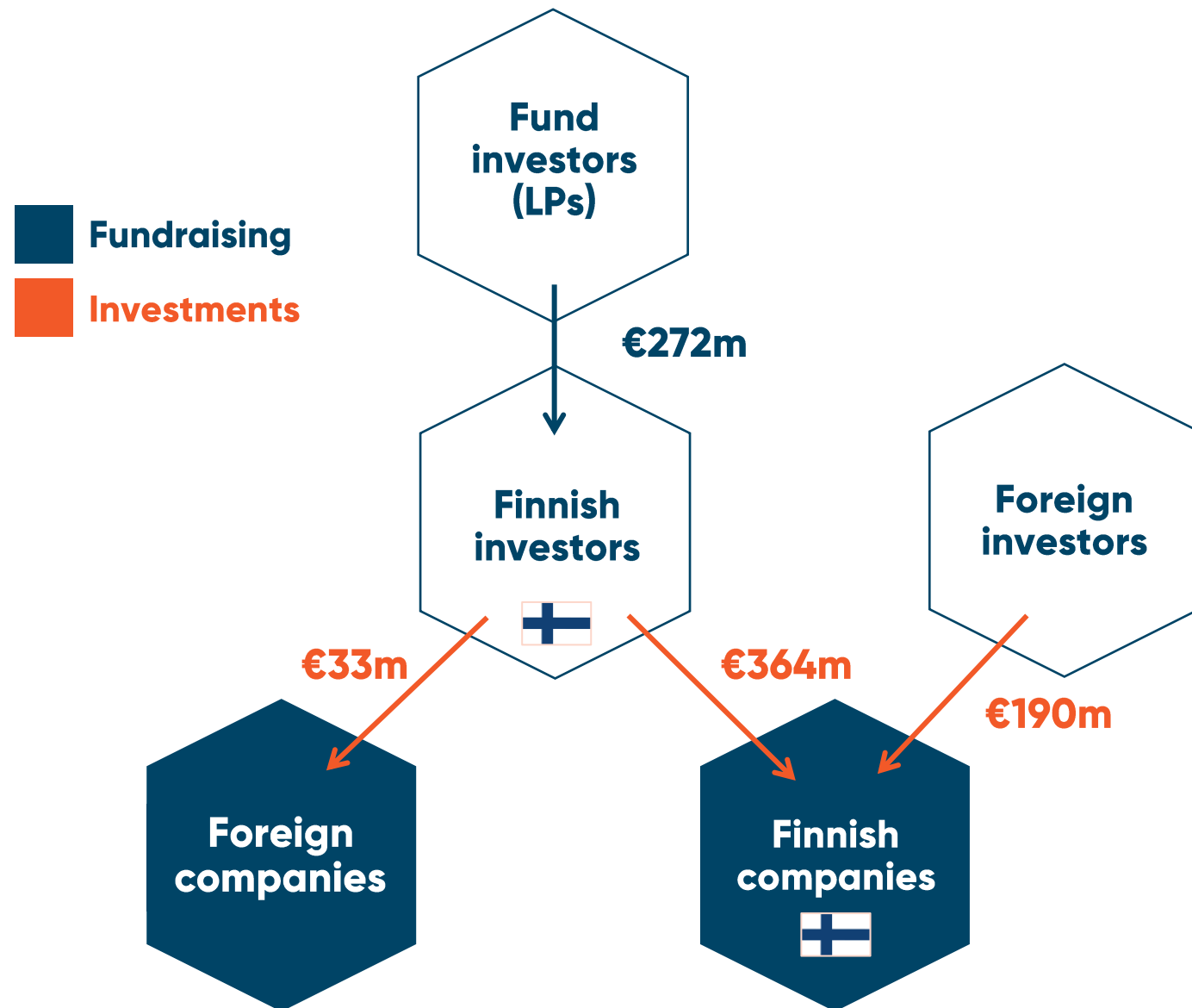
Funds raised into private equity funds for future investments.

€396m

Total amount of investments by Finnish private equity investors.

€554m

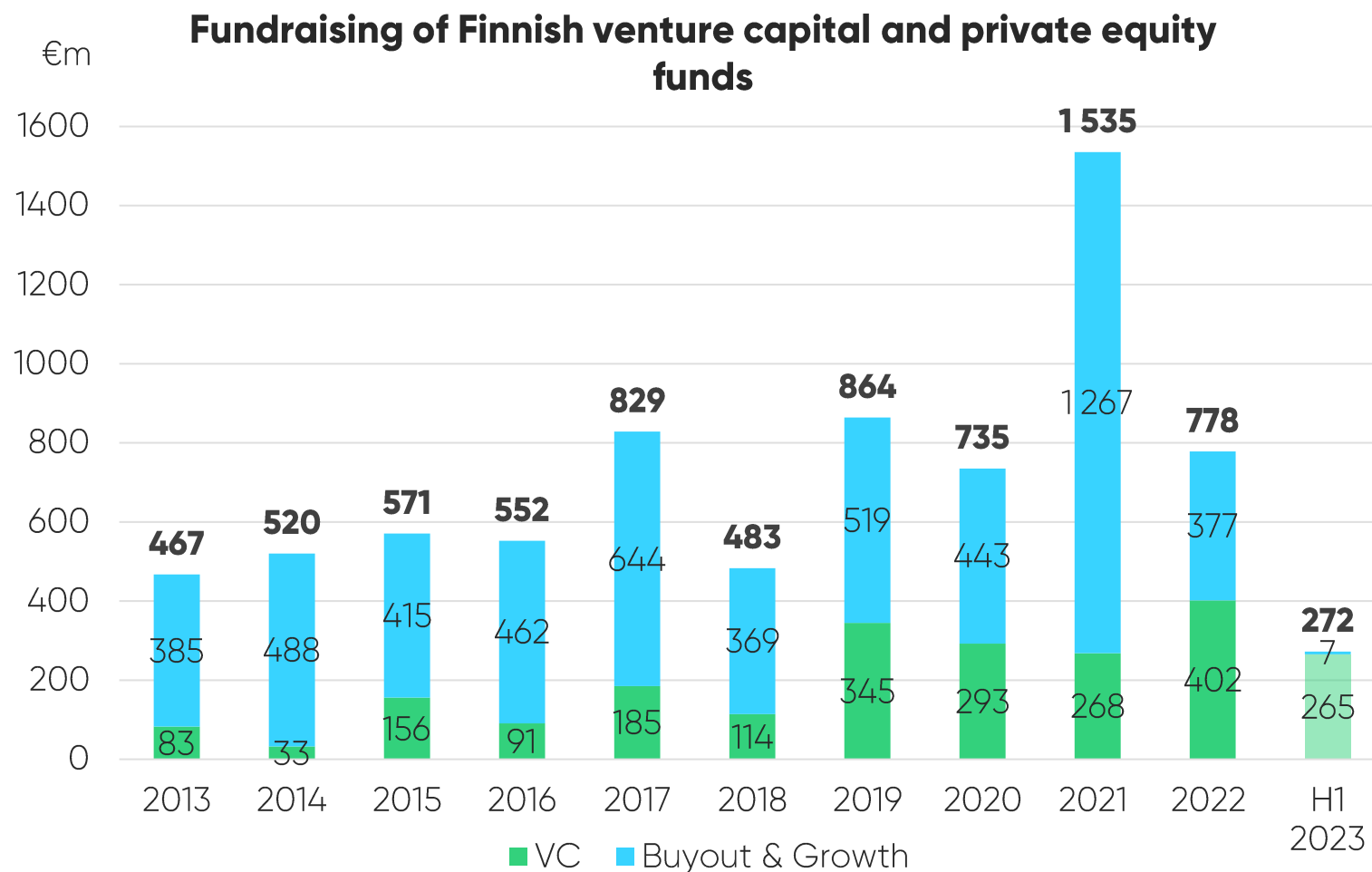
Investments made in Finnish companies by Finnish and foreign private equity investors.



Fundraising of Finnish private equity investors

€272m

Funds raised to Finnish private equity funds in the first half of 2023.

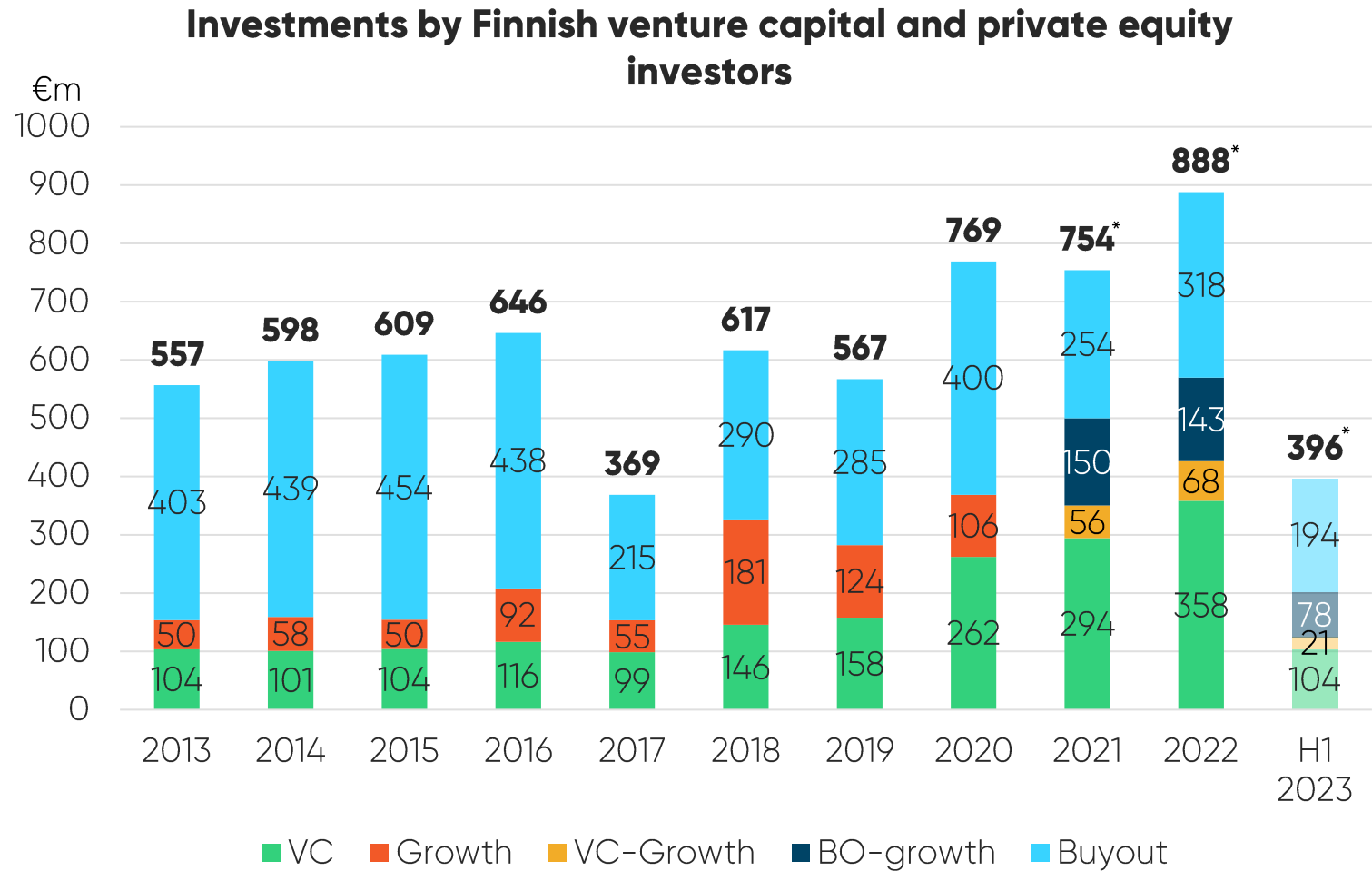


Sources: FVCA, EDC

Investments by Finnish venture capital and private equity investors

€396m

of investments made by Finnish venture capital and private equity investors during the first half of 2023.



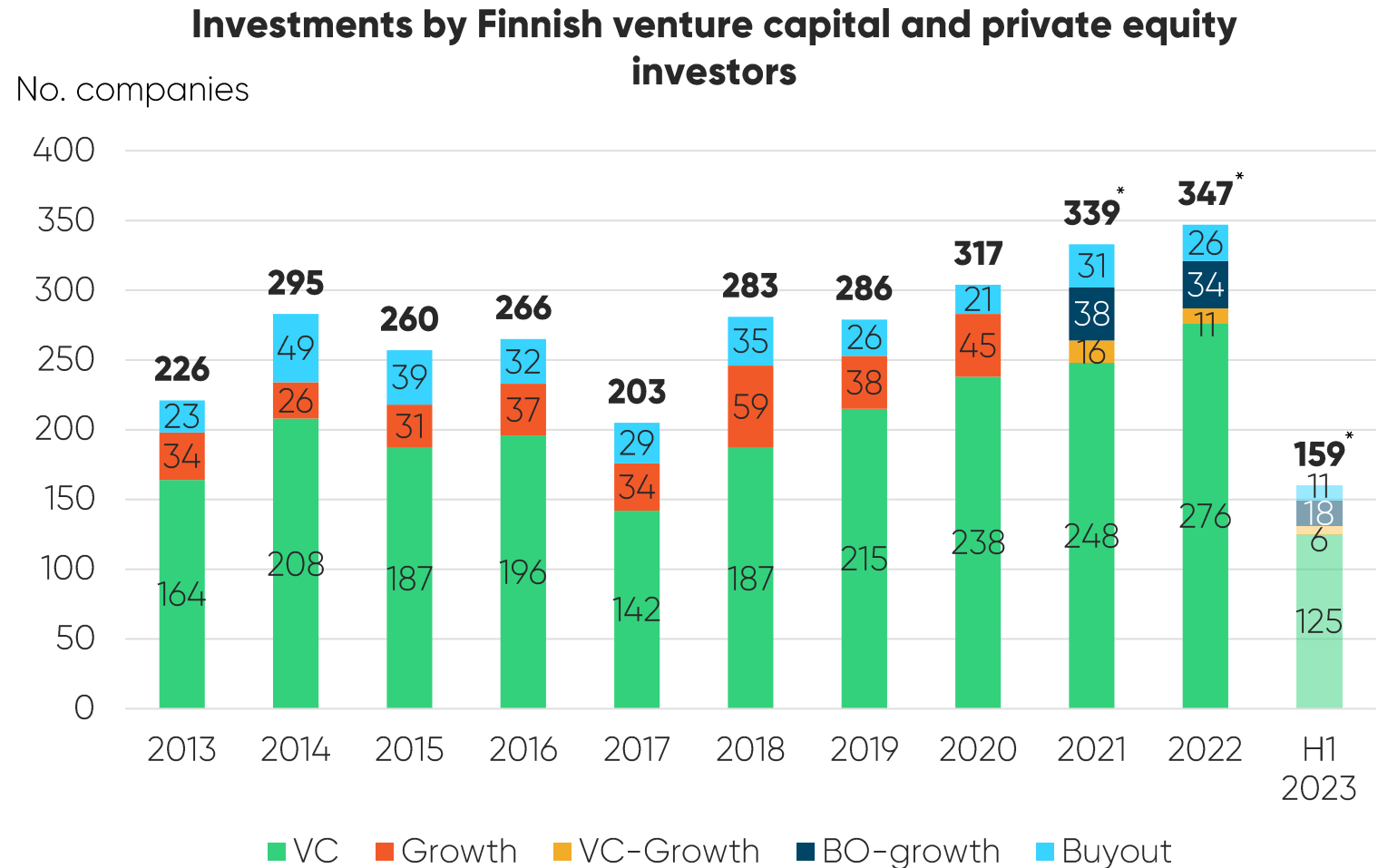
*Growth statistics split for 2021 – H1/2023. See methodology for more information.

Sources: FVCA, EDC

Investments by Finnish venture capital and private equity investors

159 companies

received investment from Finnish venture capital and private equity investor.



*Growth statistics split for 2021 – H1/2023. See methodology for more information.

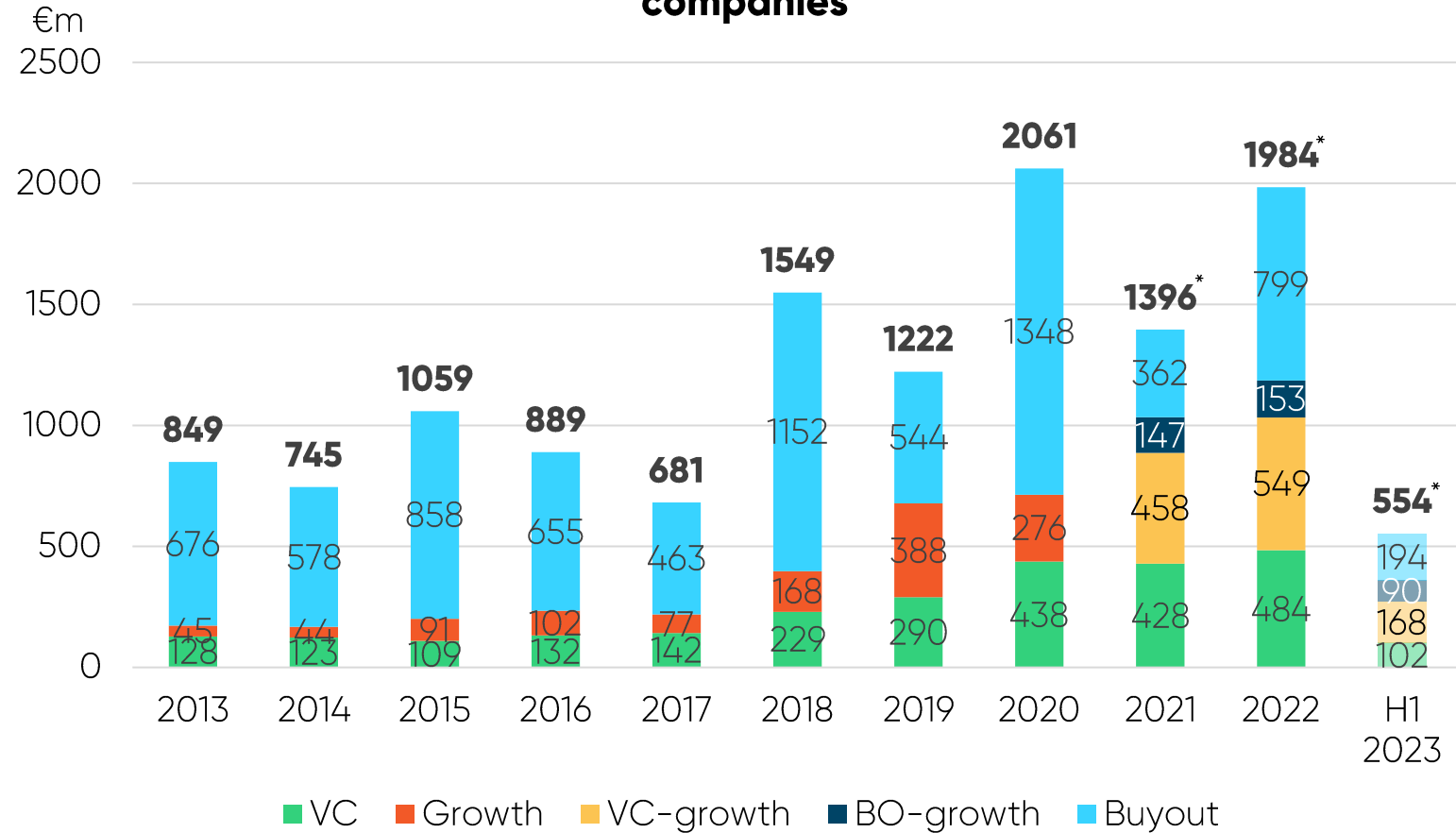
Sources: FVCA, EDC

Venture capital and private equity investments in Finnish companies

€554m

of private equity and venture capital investments received by Finnish companies.

Venture capital and private equity investments in Finnish companies



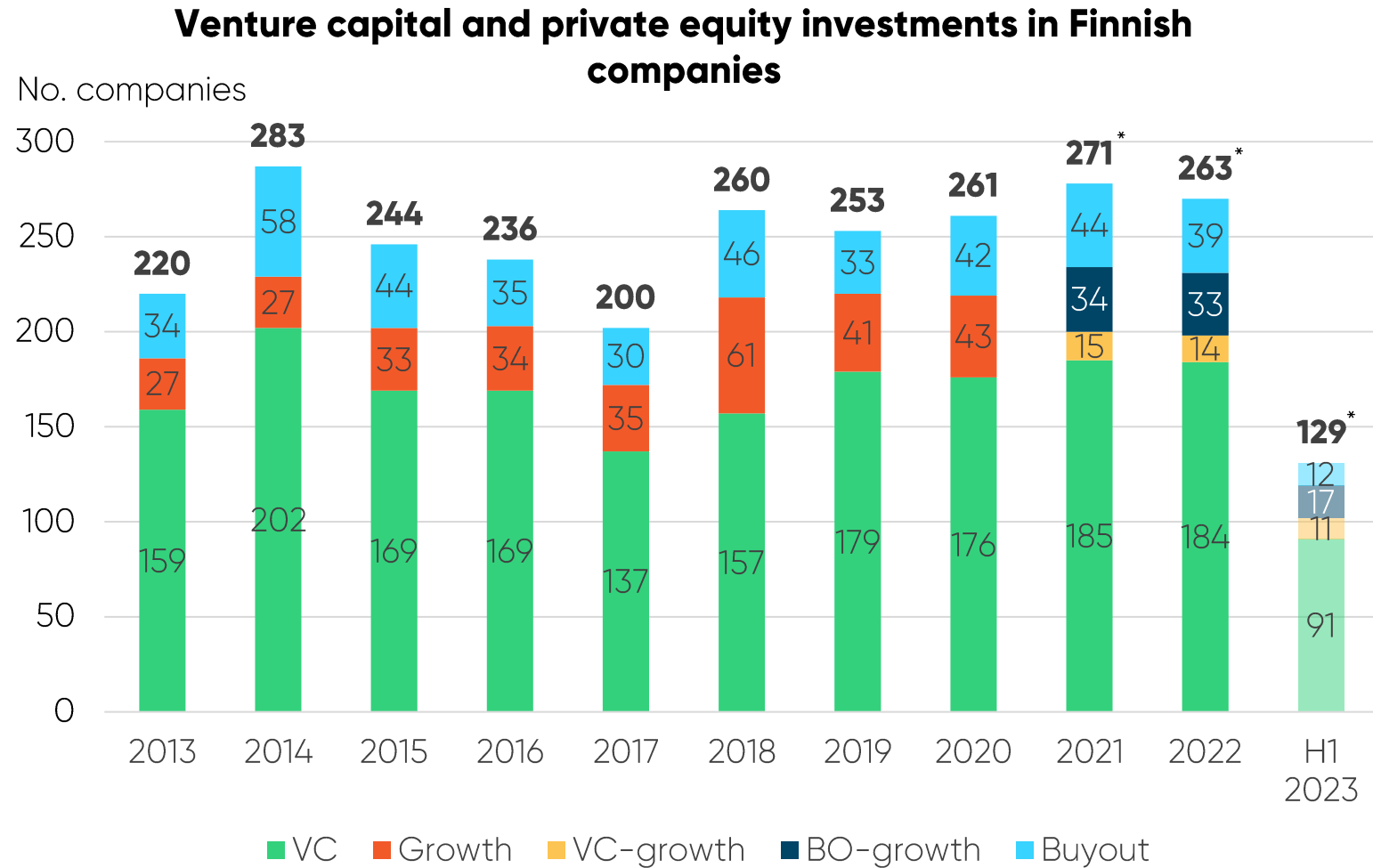
*Growth statistics split for 2021 – H1/2023. See methodology for more information.

Sources: FVCA, EDC

Venture capital and private equity investments in Finnish companies

129

Finnish companies received venture capital and private equity investment during the first half of the 2023.



*Growth statistics split for 2021 – H1/2023. See methodology for more information.

Sources: FVCA, EDC

Private equity investors H1/2023

Venture capital, growth and
buyout statistics in brief

- Finnish venture capital and private equity investors invested a total of **396 M€** into **159** domestic and foreign growth companies
- **129** Finnish startup and growth companies received a total of **554 M€** in investments.
- Foreign private equity and venture capital investors invested into **18** Finnish companies a total of **190 M€** as an investments.
- Finnish venture capital and private equity investors made successful exits from **14** companies
- New funds raised by Finnish venture capital funds, totaling **€272m** in H1/2023, will be invested in start-up and growth companies in the coming years



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Methodology

The following national private equity associations are cooperating with EDC

AIFI, Italy
ASCRI, Spain
BVA, Belgium
BVCA, UK
BVCA, Bulgaria
BVK, Germany
CVCA, Czech Republic
DVCA, Denmark
France Invest, France
FVCA, Finland
LPEA, Luxembourg
NVCA, Norway
NVP, Netherlands
PSIK, Poland
ROPEA, Romania
SECA, Switzerland
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 Investments in companies in their early development stage	Seed	Seed
	Start-up	Start-up, Other early stage
	Later stage venture	Early growth, Transition stage
BUYOUT A transaction financed by a mix of debt and equity, in which a business, a business unit or a company is acquired	Growth	Later growth
	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

Growth

- These 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. VC-growth investments have been added to selected graphs in the report from years 2021–2023.
- A more comprehensive analysis of the VC-growth investments will be provided in following reports.