

Pääomasijoittajat

Finnish Venture Capital Association

Venture capital in Finland 2023

Statistics on fundraising, investments, and divestments

Published: 11 April 2024

Contents

Introduction

General information and statistics in brief

Industry statistics

Finnish venture capital and growth investor activity in Finnish and foreign startups

Market statistics

Finnish and international venture capital and growth investor activity with Finnish startups

Startup funding in Finland

All investments in Finnish startups

Summary of Finnish venture capital and private equity statistics

Venture capital, growth & buyout 2023

Methodology



Pääomasijoittajat

Finnish Venture Capital Association

EDC – European Data Cooperative

The most comprehensive VC/PE database in Europe

**106 investors
in Finland**

3 700 in Europe

**318 funds
in Finland**

10 200 in Europe

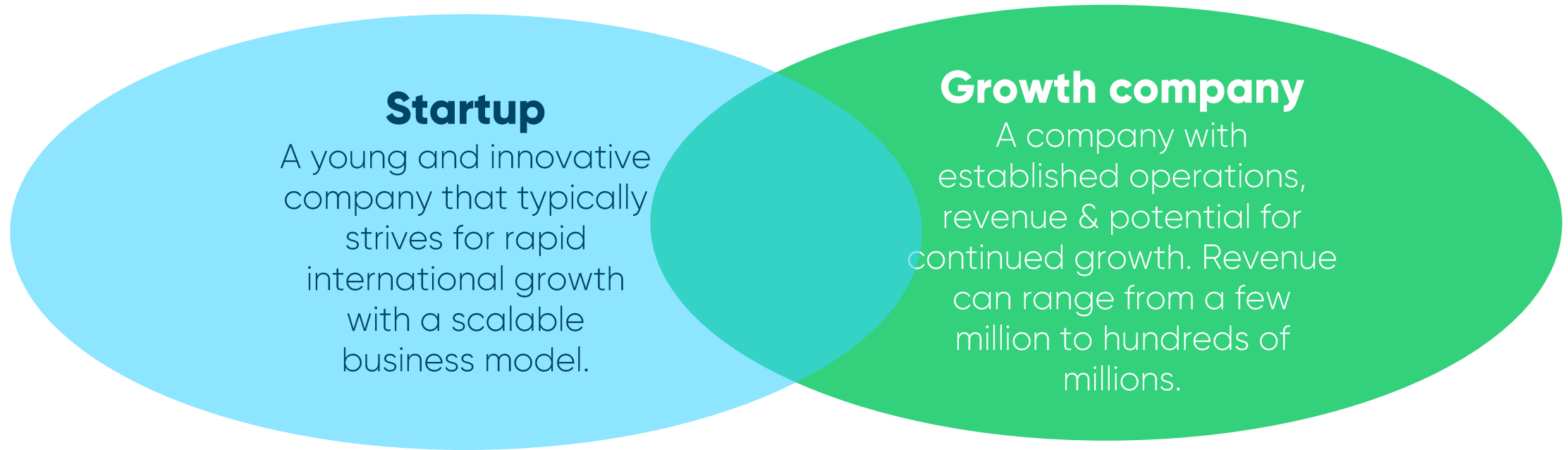
**2 396 portfolio
companies in Finland**

83 000 in Europe

**10 680 transactions
in Finland**

308 000 in Europe

Private equity



Venture capital

Venture capital investors make **minority** investments in startups in different growth stages.

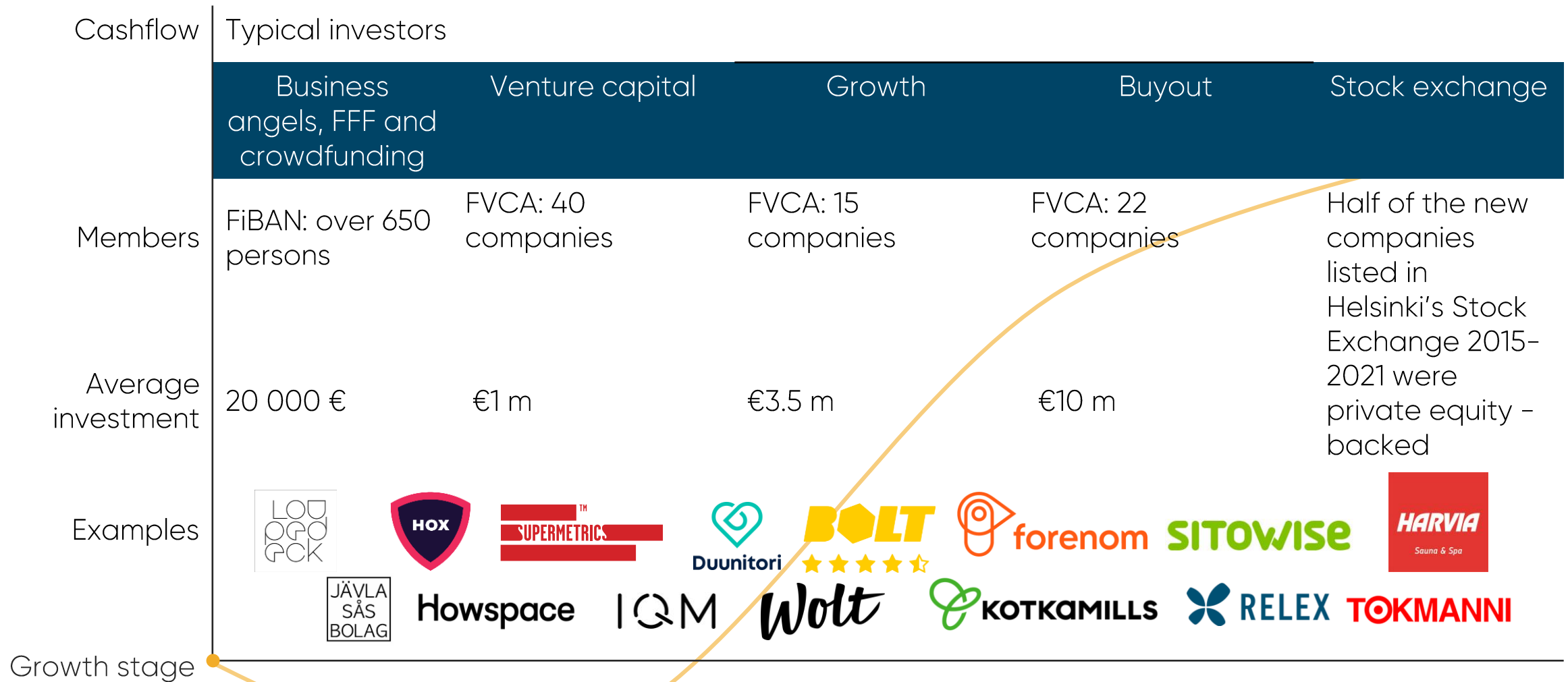
Growth

Growth investors make **minority** investments in both later-stage startups and established but still small growth companies.

Buyout

Buyout investors make **majority** investments in established businesses, typically mid-sized growth companies.

Private equity investors by stage



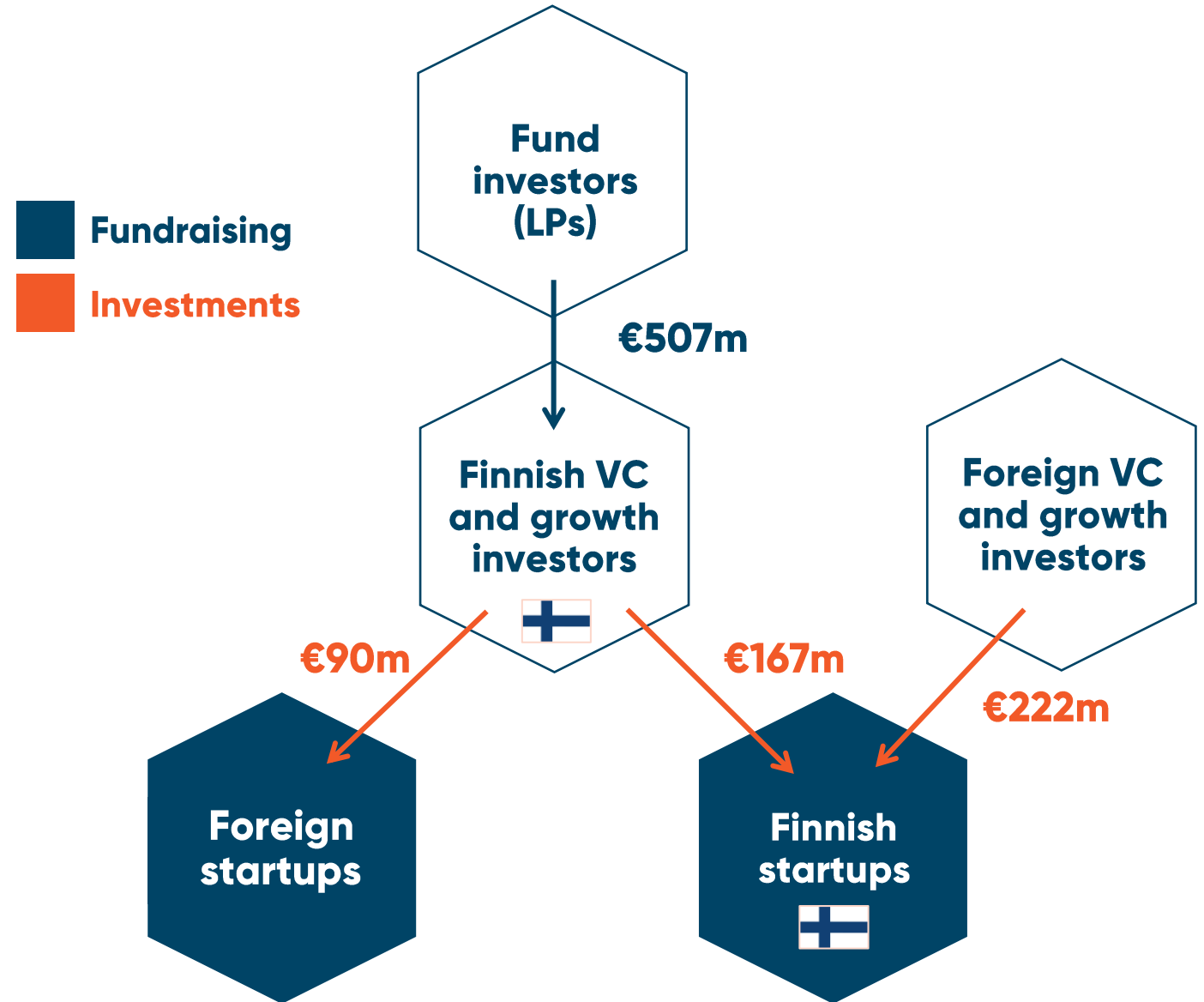
Venture capital & venture growth 2023

€507m

Funds raised to Finnish venture capital funds from LPs.

€389m

Investments made by Finnish and foreign VC and growth investors in Finnish startup companies in 2023.



Venture capital & venture growth 2023

Statistics in brief

- Finnish startups raised a total of **€389m** (–58%) of VC and growth funding.
- Of the total amount raised by Finnish startups, **€167m** (–32%) came from Finnish and **€222m** (–68%) from foreign VCs.
- A total of **185** (–2%) Finnish startups raised VC or growth funding.
- Finnish VC and growth investors invested a total of **€258m** (–33%), of which **€90m** (–37%) in foreign startups.
- A total of **256** (–10%) startups received funding from Finnish VC and growth investors.
- Finnish VC funds raised the second largest amount in history, a total of **€507m** (–3%) in new funds for future investments.



Pääomasijoittajat

Finnish Venture Capital Association

Industry statistics

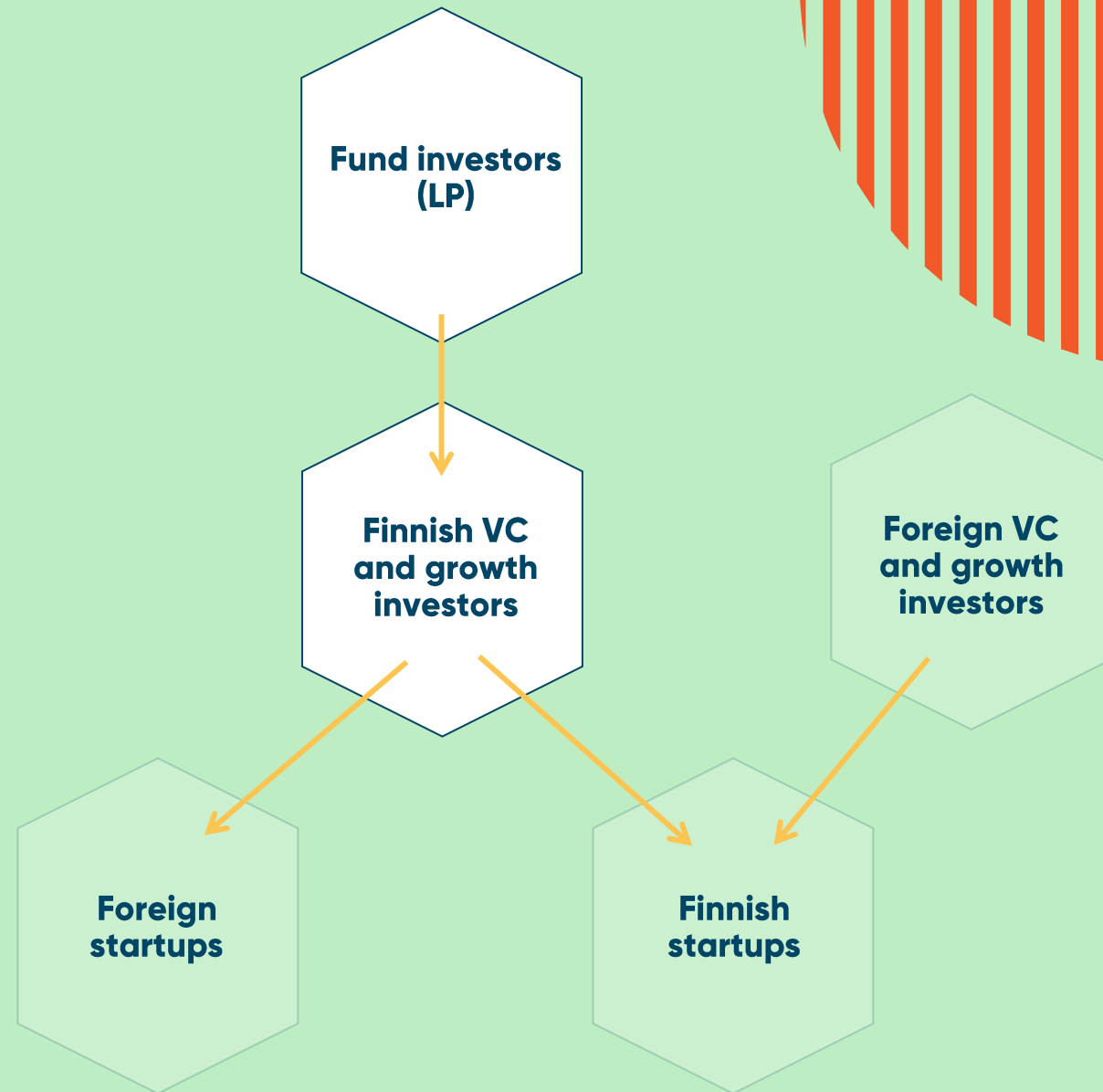
Finnish venture capital and growth investor activity in Finnish and foreign startups



Pääomasijoittajat

Finnish Venture Capital Association

Fundraising



Finnish VC funds successful in fundraising

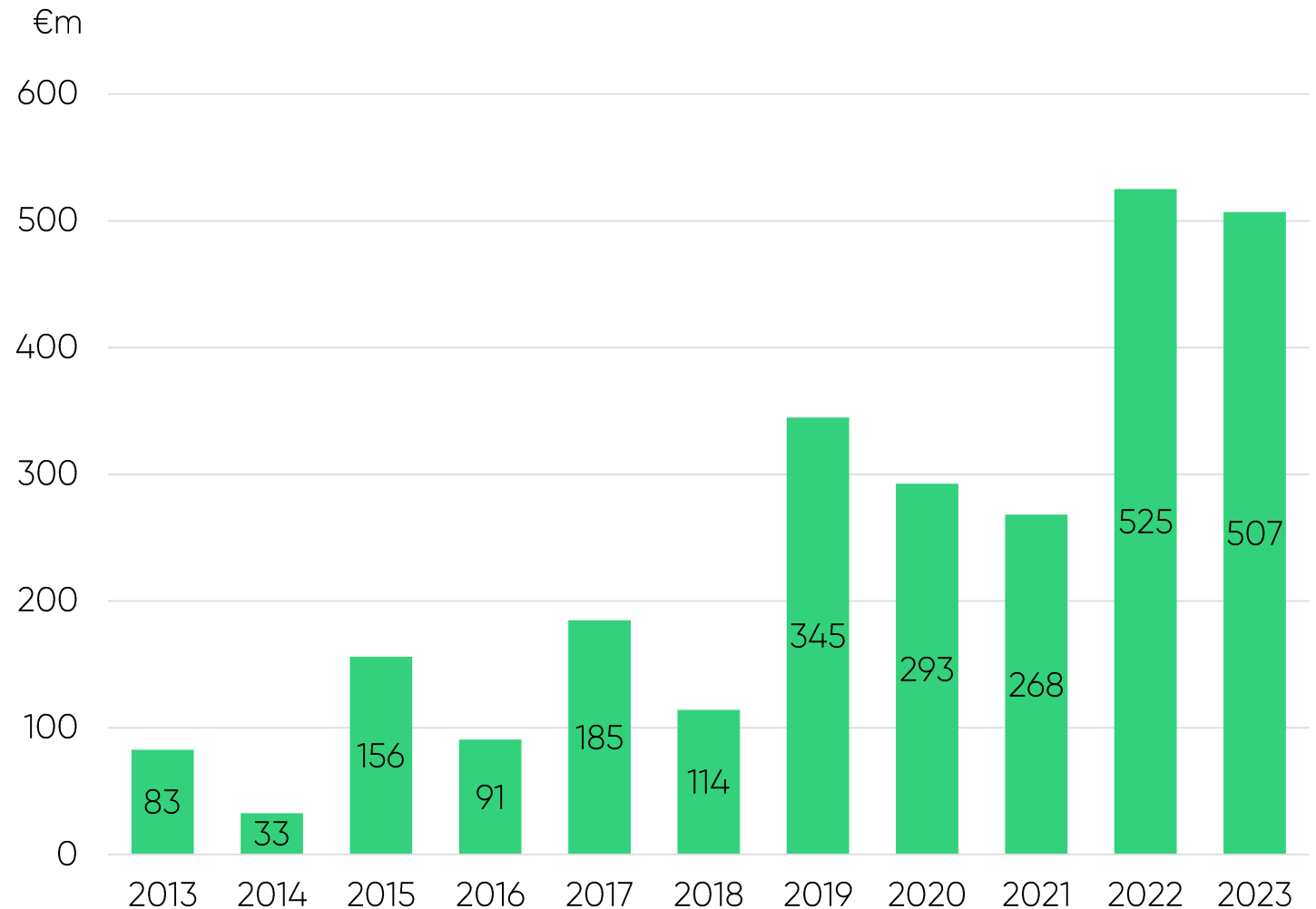
€507m

Half a billion euros were raised by Finnish VC funds in 2023.

New funds were published by Lifeline Ventures, Voima Ventures, IPR.VC, Gorilla Capital and 3TS.

First time VC funds were raised by Greencode Ventures, Kvanted and Failup Ventures.

Fundraising of Finnish venture capital funds



15 new venture capital teams in Finland in five years

VC Funds II+

New VC teams

2019



Voima Ventures



2020



≥ INNOVESTOR

REDSTONE



Nostetta
VENTURES

2021

VENDEP
CAPITAL



nexit
VENTURES



AURORA
STUDIOS

2022



wave
ventures

in|venture

≥ INNOVESTOR



2023



Voima Ventures

gorillacapital

GREEN
CODE
VENTURES



Kvanted



Pääomasijoittajat

Finnish Venture Capital Association

* Growth-stage investor
x NGP and 3TS have headquarters abroad

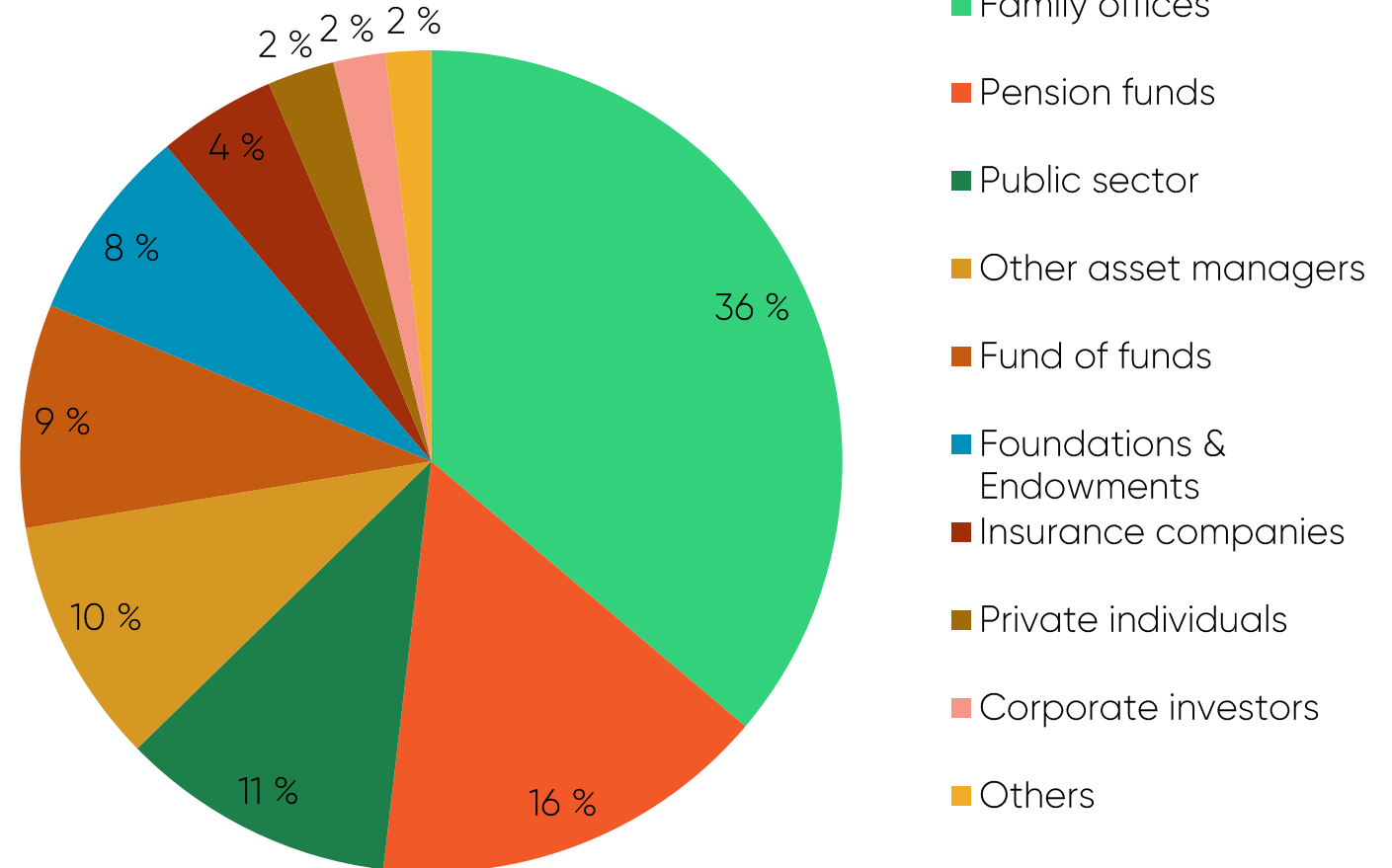
VC funds have a broad investor base

Over one third of the capital was raised from family offices.

The next biggest investors were pension funds, other asset managers and public sector.

11% of the capital was raised from the public sector investors.

Sources of funds 2023



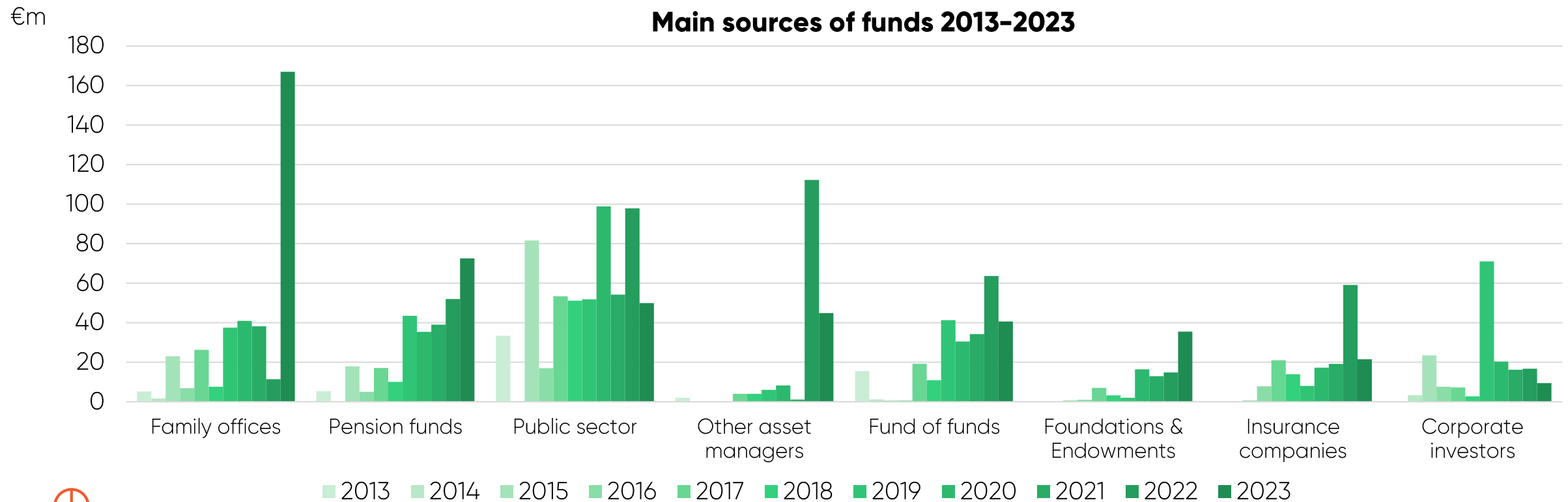
The graph does not include fundraising from unclassified sources, 9% of the total fundraising.

Sources: FVCA, EDC

Finnish family offices became active as fund investors

A record amount of funds were raised from family offices.

The amount of funds raised from pension funds and foundations reached also a new record.

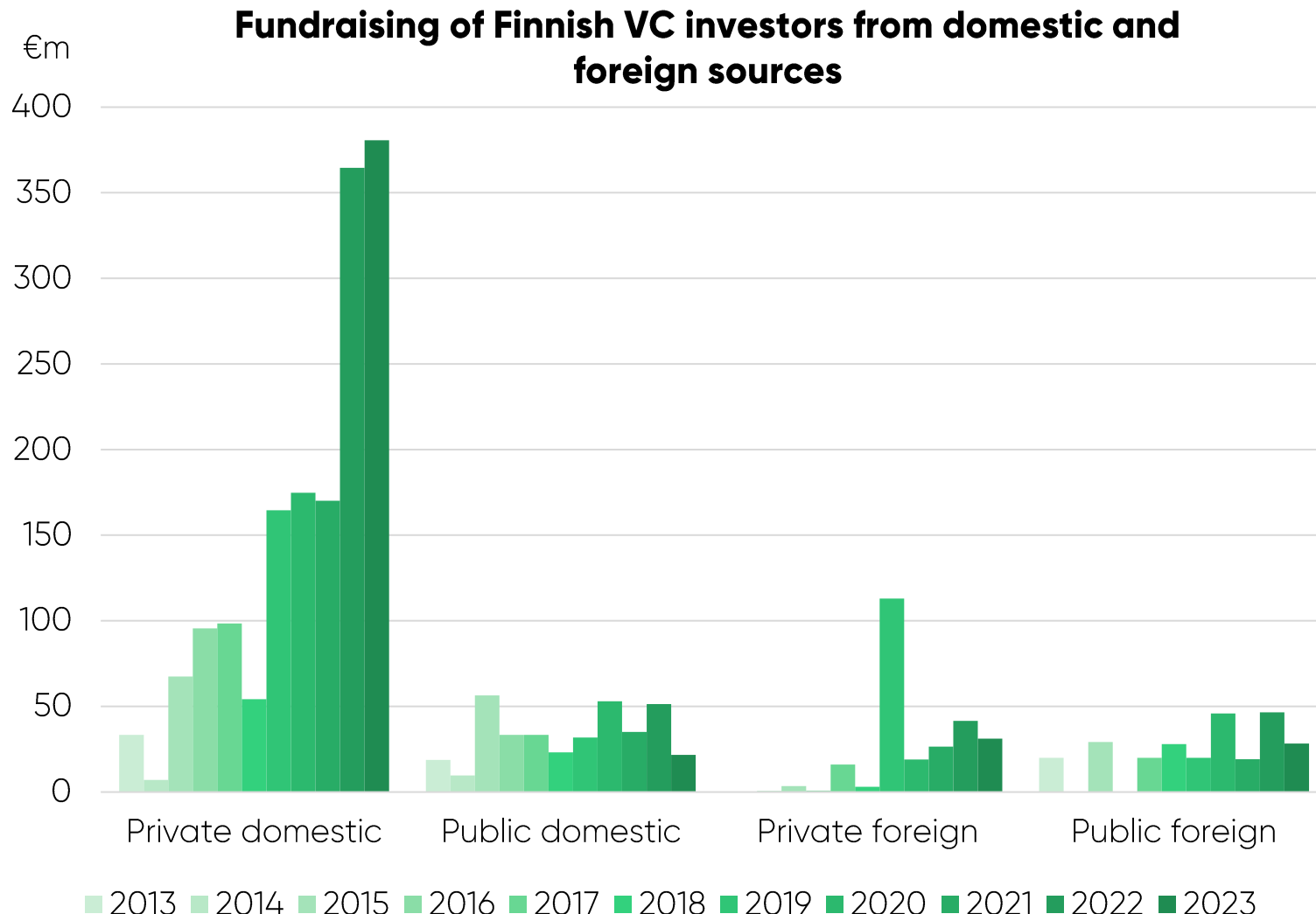


The most of the capital of VC funds is domestic

€381m

A record amount was invested in Finnish VC funds by domestic private sector investors.

Public sector investments in Finnish VC funds were lower than last year.



The graph does not include fundraising from unclassified sources, 9% of the total fundraising.

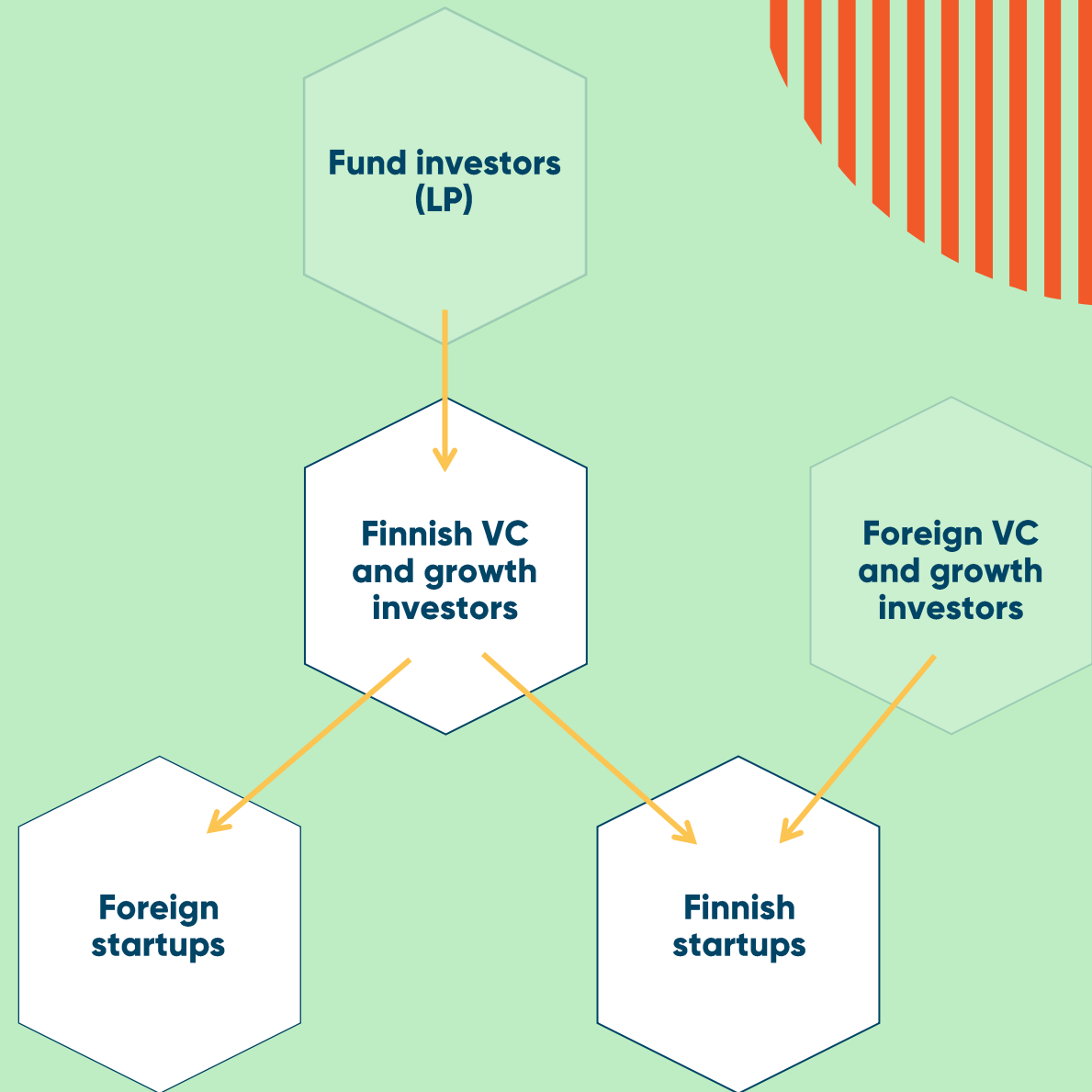
Sources: FVCA, EDC



Pääomasijoittajat

Finnish Venture Capital Association

Investments



Amount invested by Finnish VC and growth investors decreased

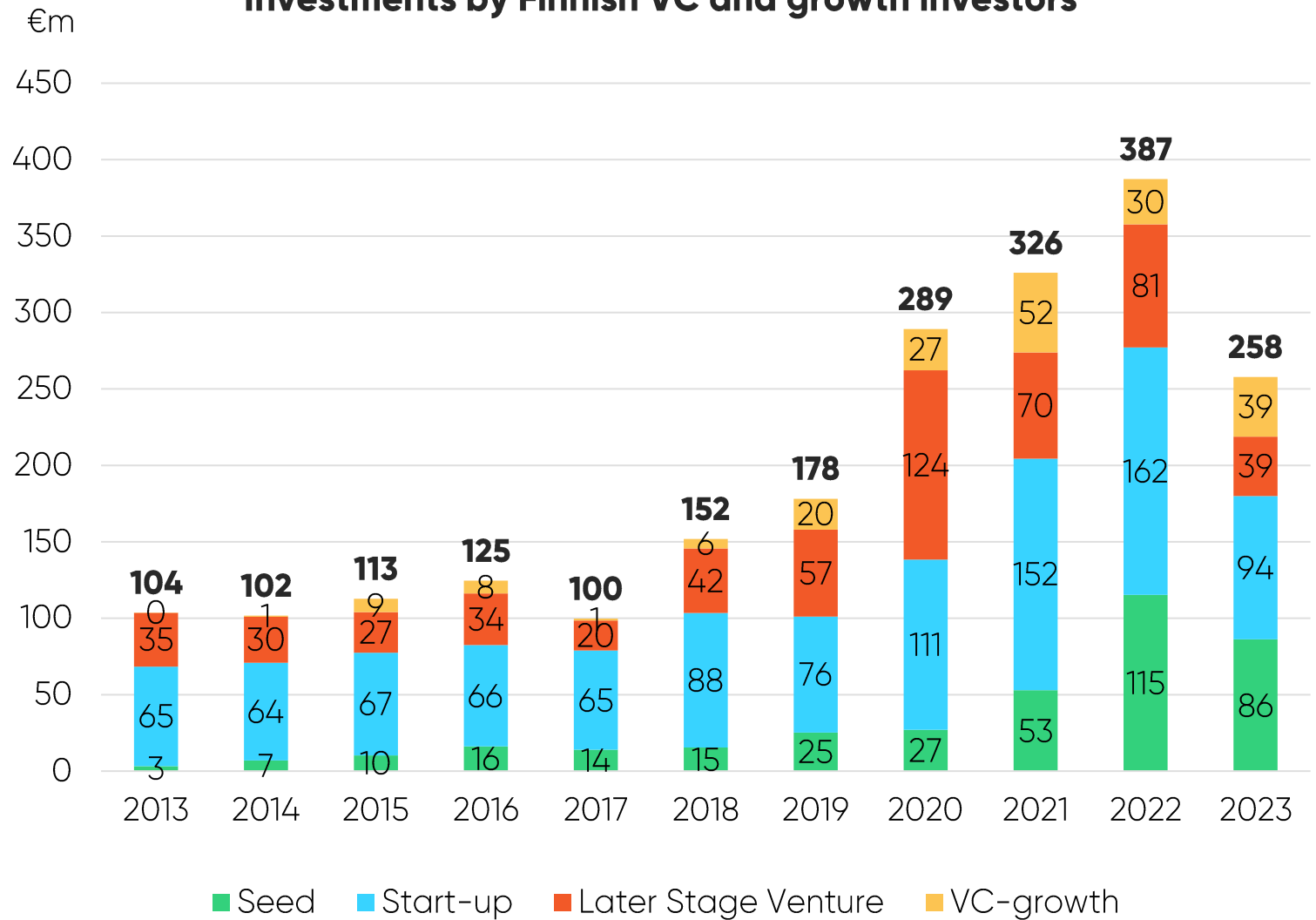
€258m

The amount invested by Finnish VC and growth investors in domestic and foreign startups has decreased by a third from the last year.

€86m

Seed stage investments have remained at a historically high level.

Investments by Finnish VC and growth investors



Nearly a record number of startups raised funding

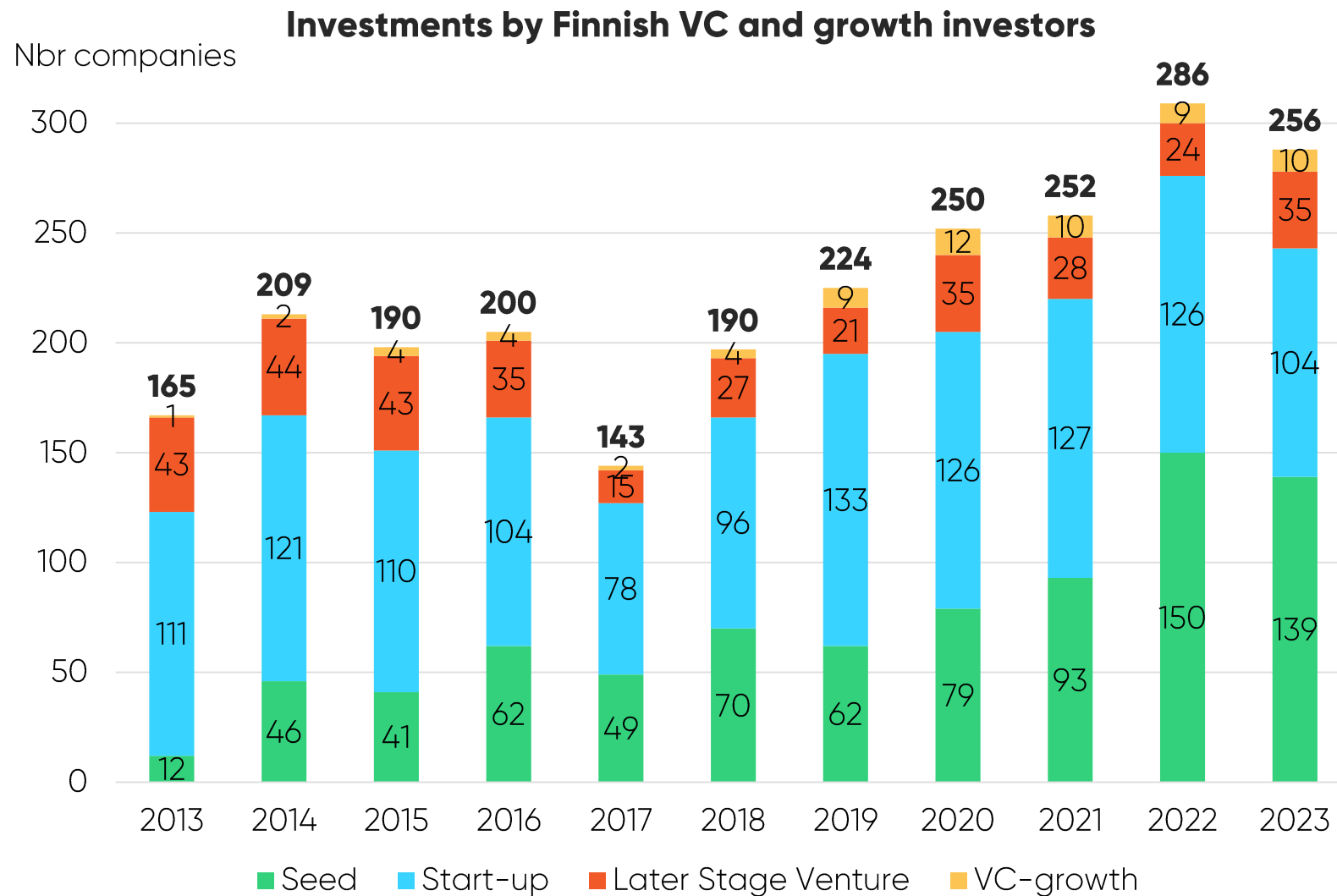
256 startups

The number of startups that received investment from Finland was the second highest in history.

139 seed-stage companies

The number of companies, that received seed-stage investment, remains high.

While the number of companies has remained steady in 2023, the amount of funding decreased.



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 considered only once in the total number of investments.

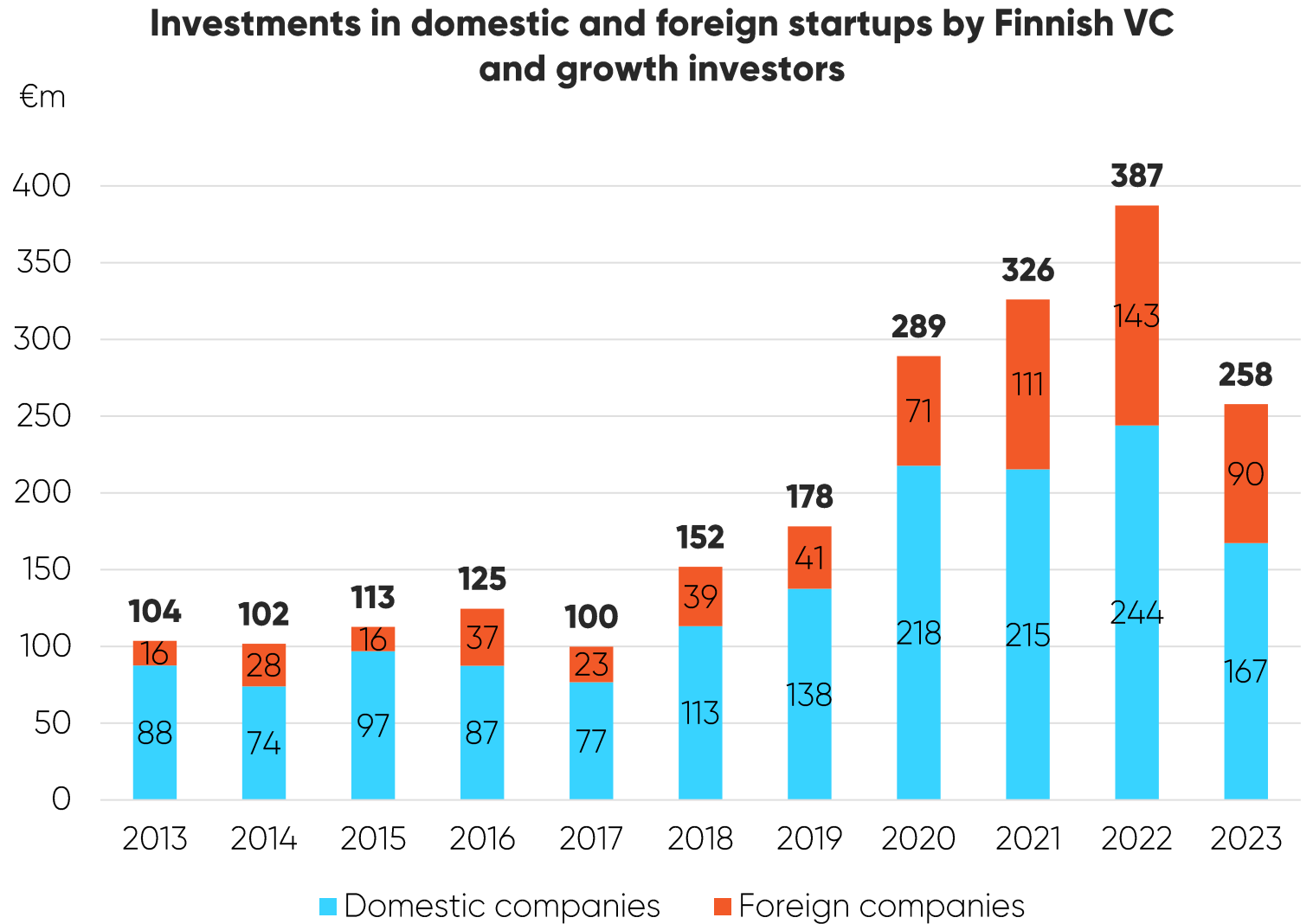
Sources: FVCA, EDC

Share of investments in foreign startups remained at the previous level

€90m

Amount invested by Finnish investors in foreign startups.

The proportion of investments in foreign companies (35%) remained at the level of recent years.



No significant drop in number of target companies

92 foreign startups

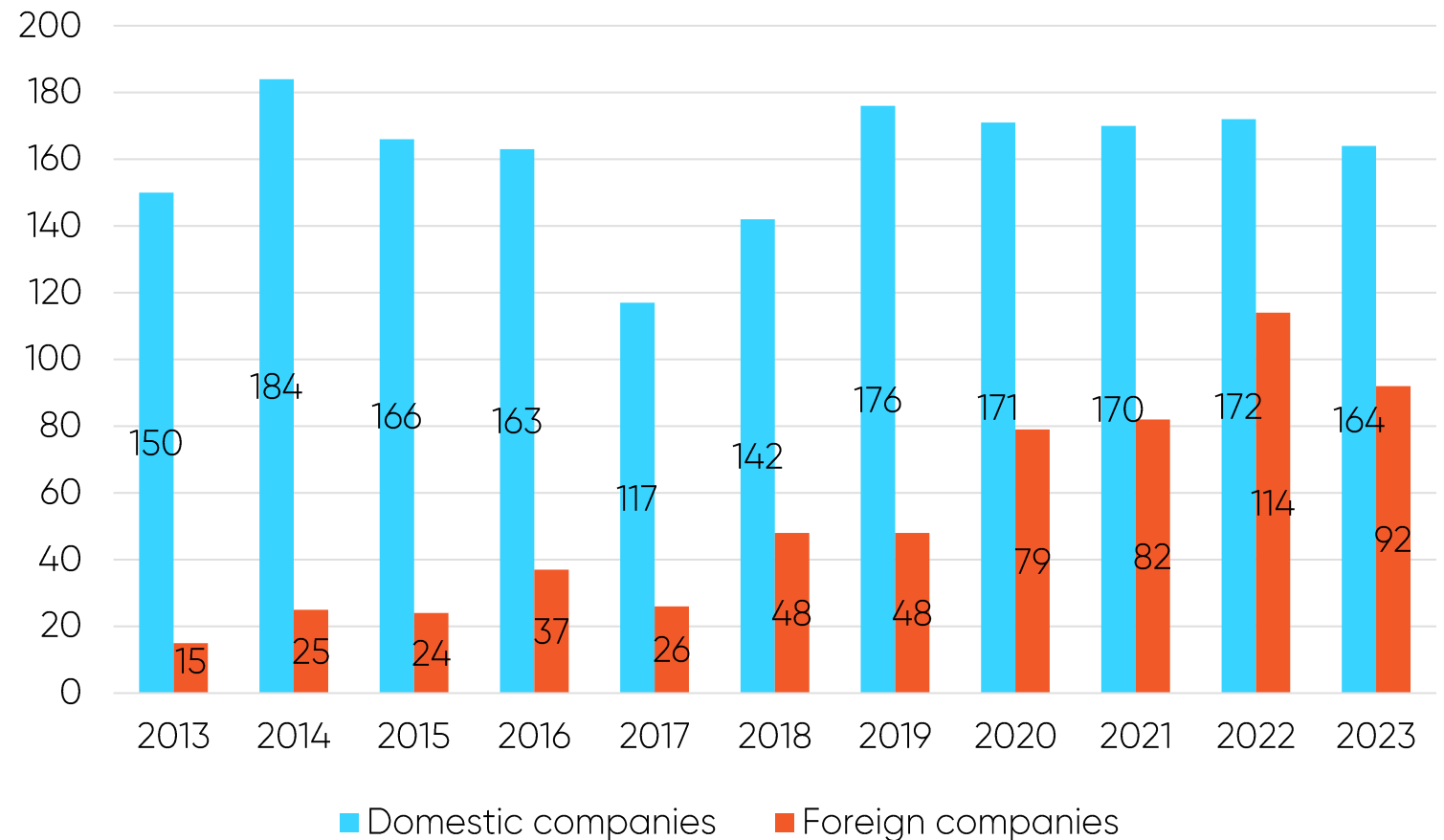
Almost hundred foreign startups received an investment from Finnish investors.

164 domestic startups

Almost the same number of Finnish startups as in previous years received an investment from a domestic investor.

Investments in domestic and foreign startups by Finnish VC and growth investors

Nbr companies





Pääomasijoittajat

Finnish Venture Capital Association

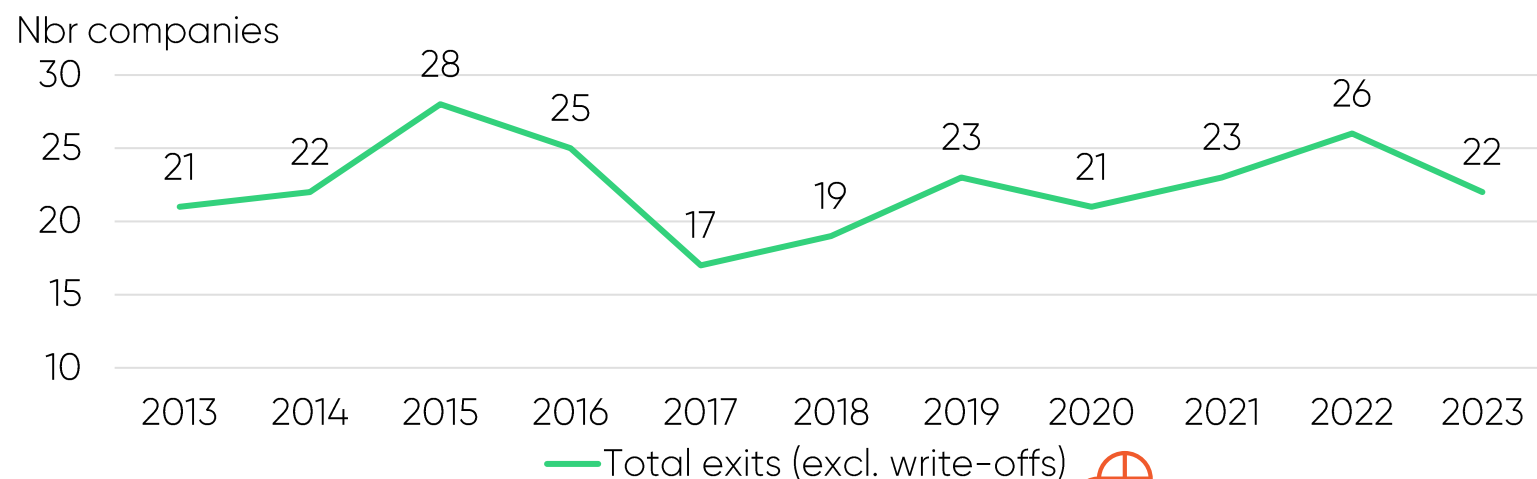
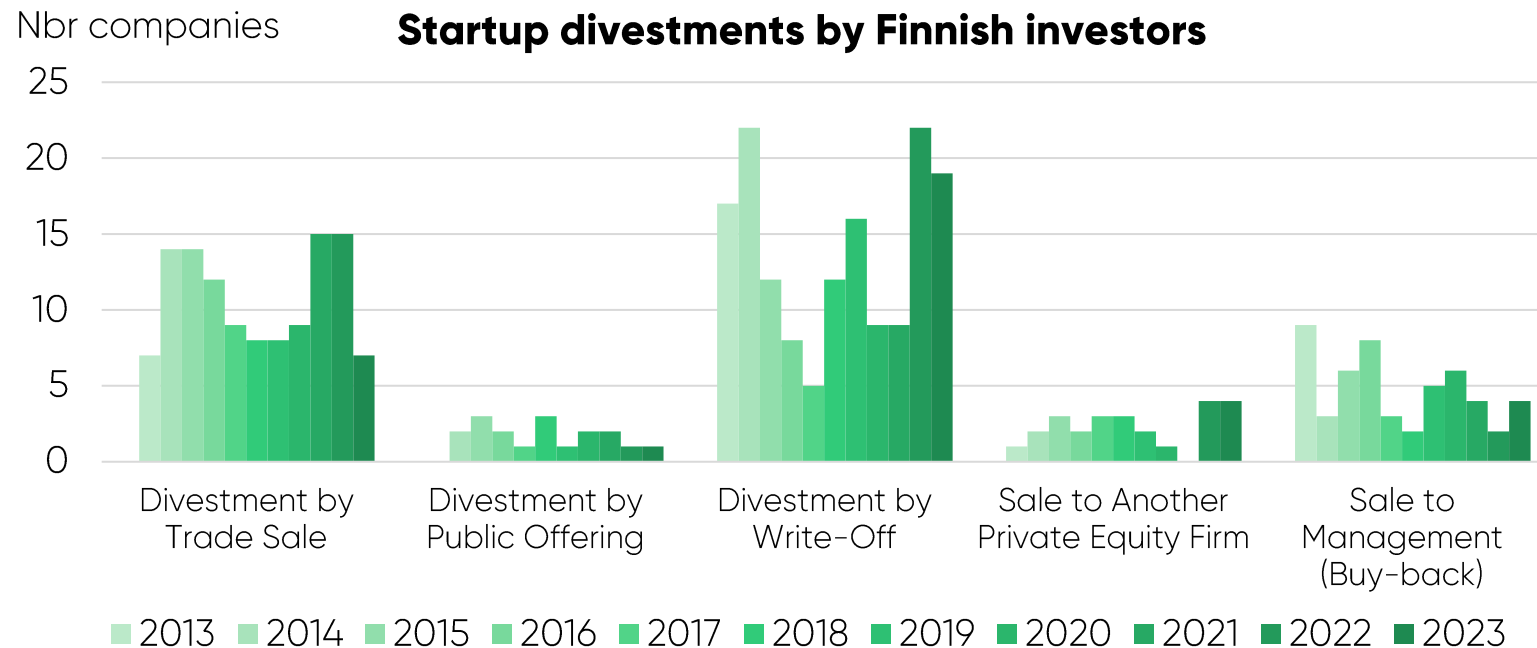
Divestments

Divestments by trade sale are at their lowest

Historically low number, only 7 companies, were divested by trade sale, which reflects last year's slow M&A market.

After the write-offs, trade sale was still the most common exit method.

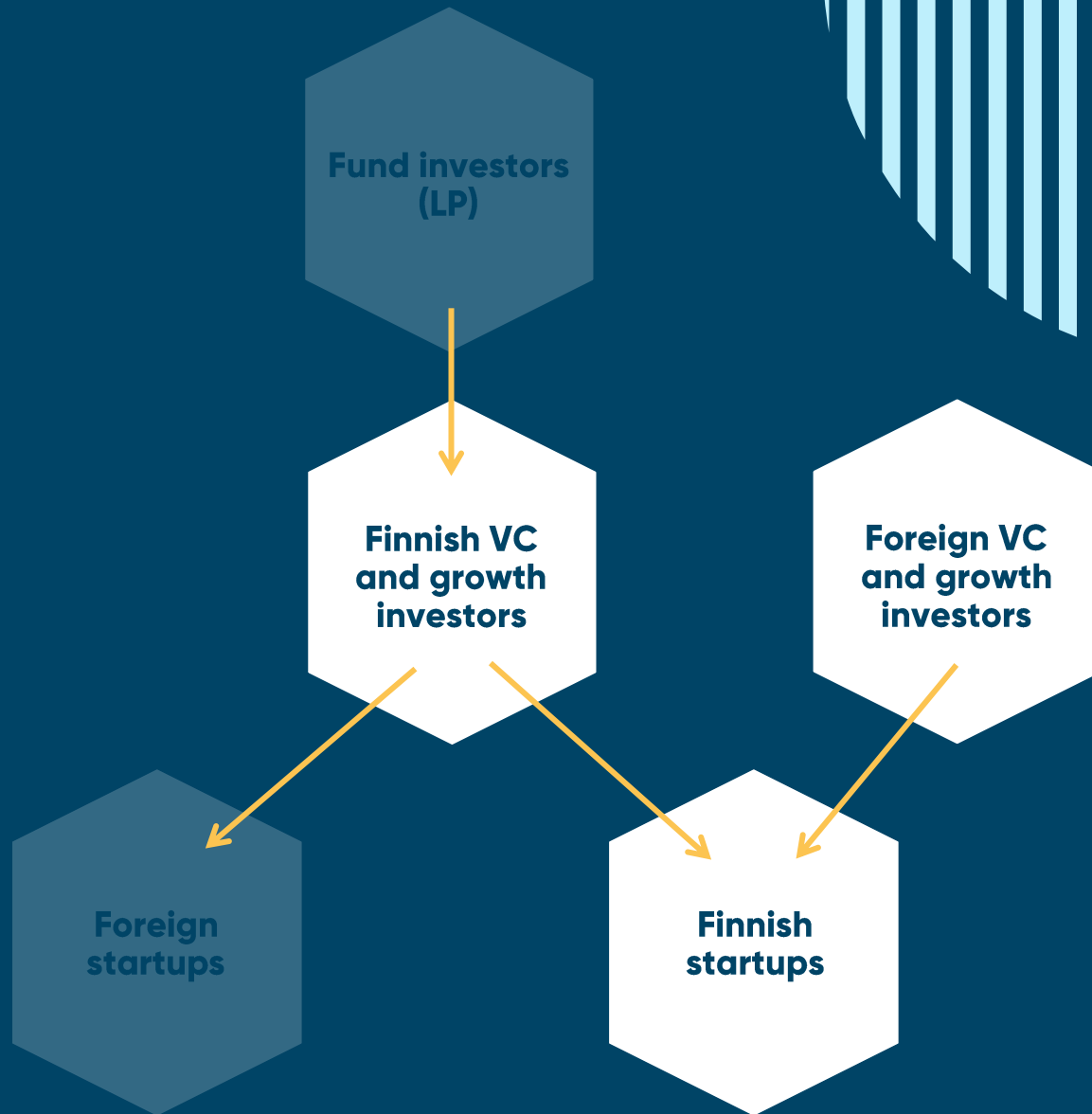
Write-offs have been at historically high levels for the last two years.



Market statistics

Finnish and international venture capital and growth investor activity with Finnish startups

Investments

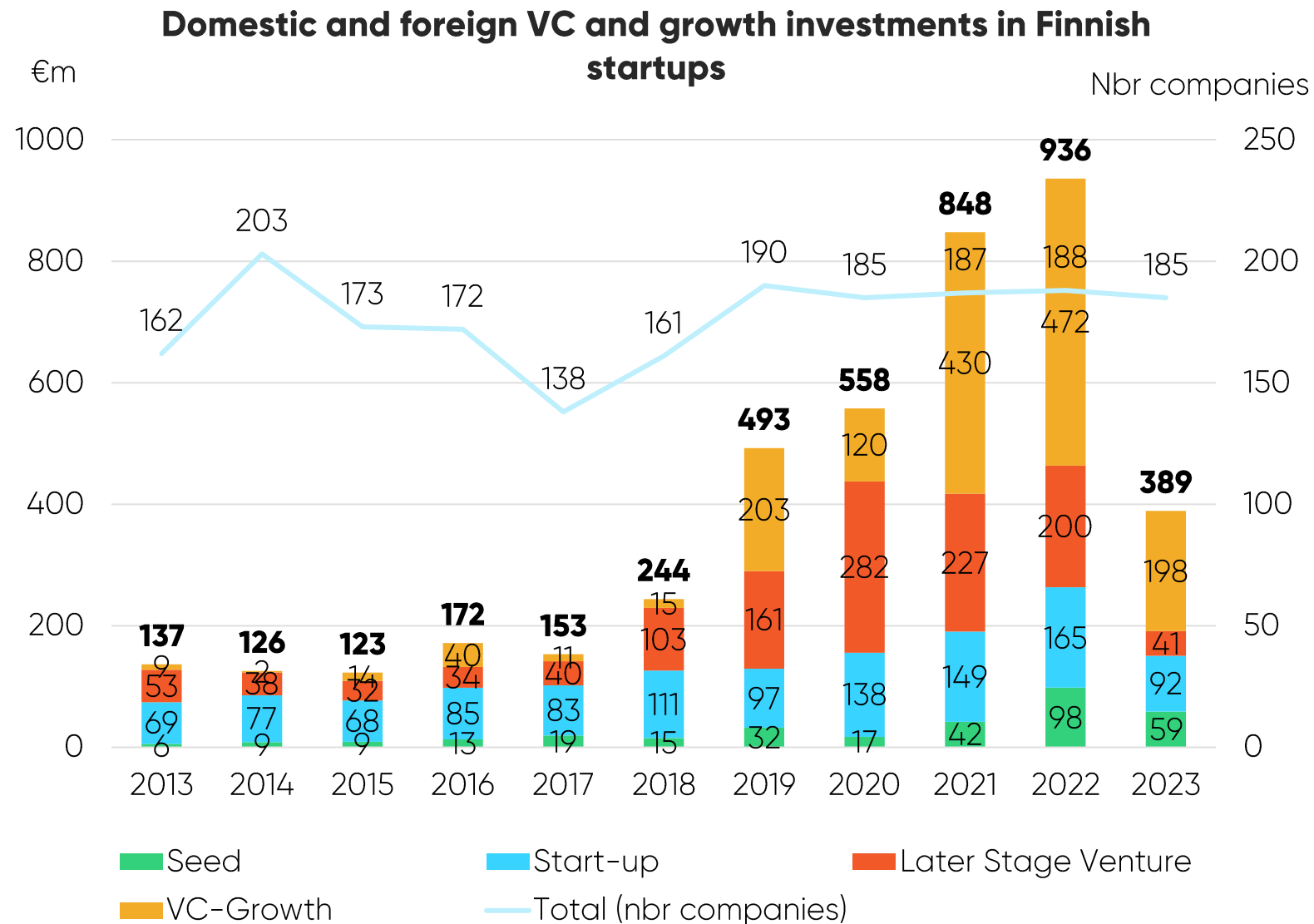


International VC crash reached Finland

€389m

The amount invested in Finnish startups by domestic and foreign investors declined by 58% compared to the previous year.

In line with the international trend, later-stage venture investments declined the most, primarily due to the lack of large investment rounds.



Seed-stage investments remained high

185 startups

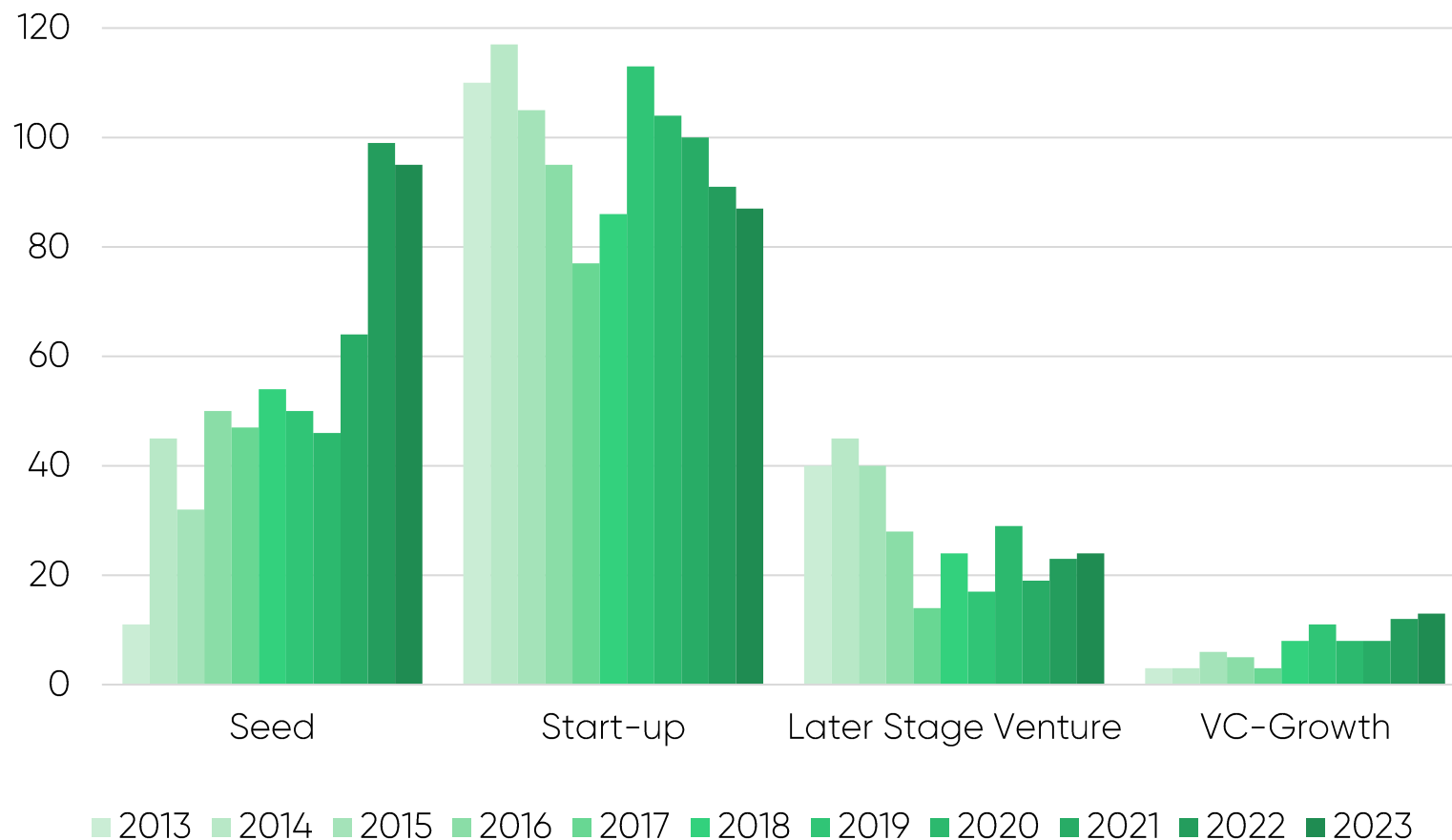
The number of Finnish startups receiving investments remained at the same level as in previous years.

Seed-stage investments have increased to a new level in the last two years.

Even though the number of companies stayed steady, the amount of funding decreased noticeably in 2023.

Domestic and foreign VC and growth investments in Finnish startups

Nbr companies



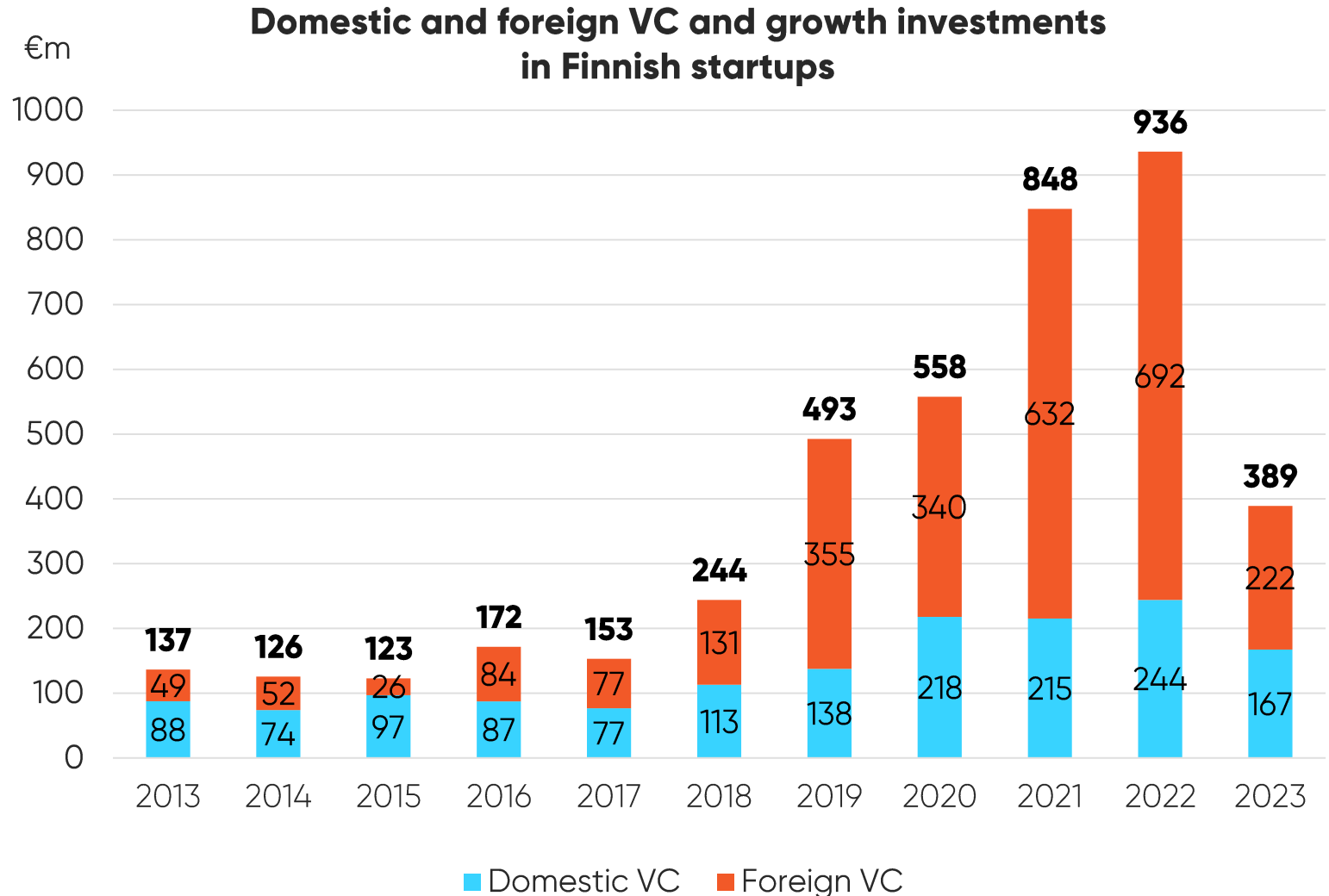
Notable drop in foreign investments

€222m

Foreign VC and growth investments in Finnish startup companies decreased by 67% and are at their lowest since 2018.

€167m

The domestic investments in Finnish startups decreased by 32% in 2023.

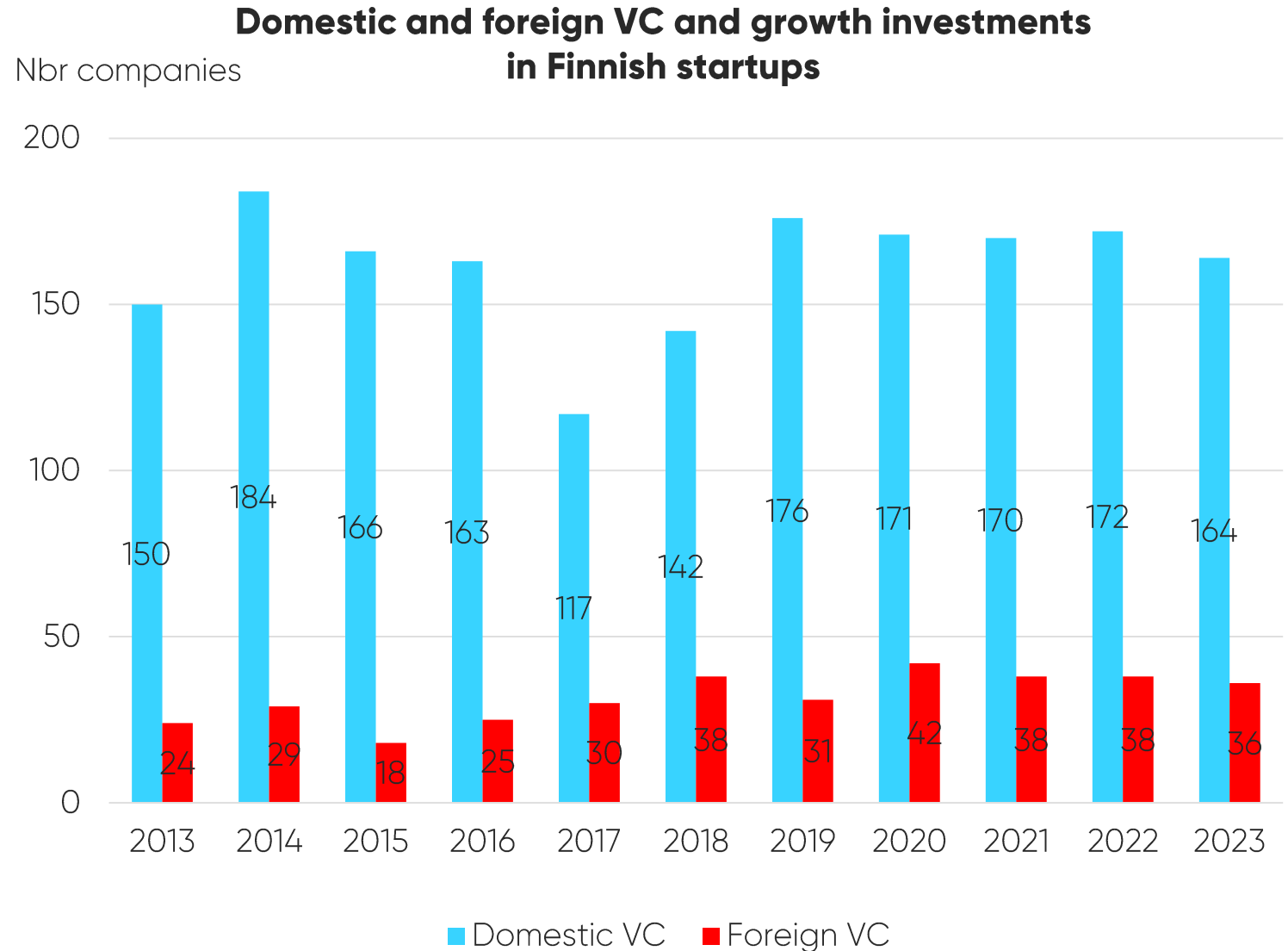


Number of startups invested in remained steady

36 startups

Almost the same number of startup companies as in previous years received international investment, but the investment amounts have dropped significantly.

Compared to the large drop in the invested capital, the number of startups that have received an investment has remained steady.



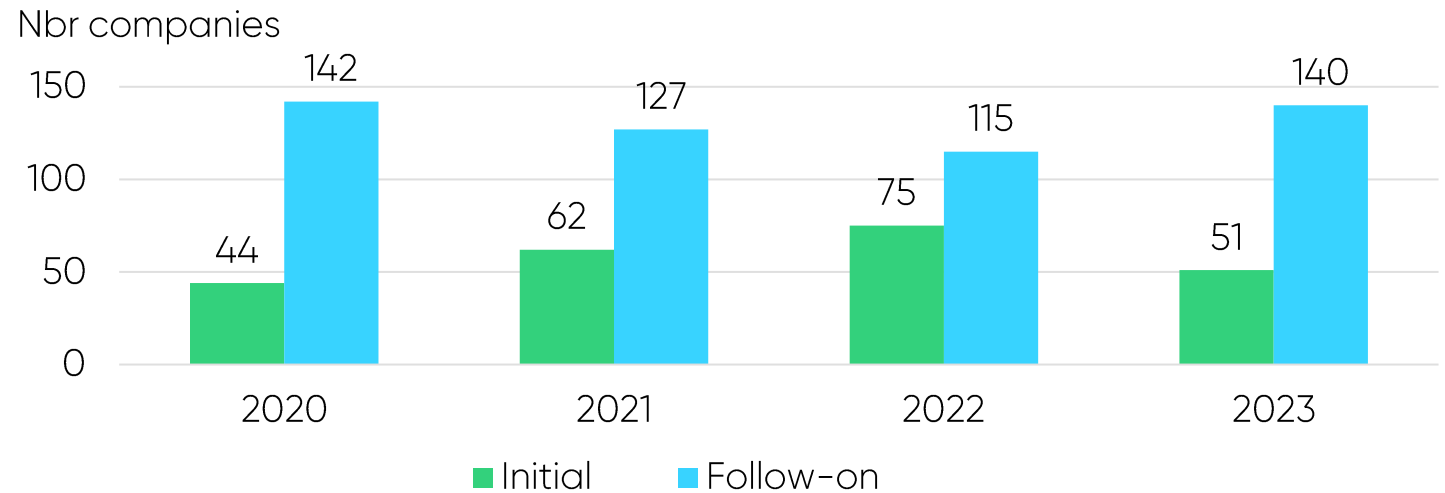
New initial investments done actively

51 startups

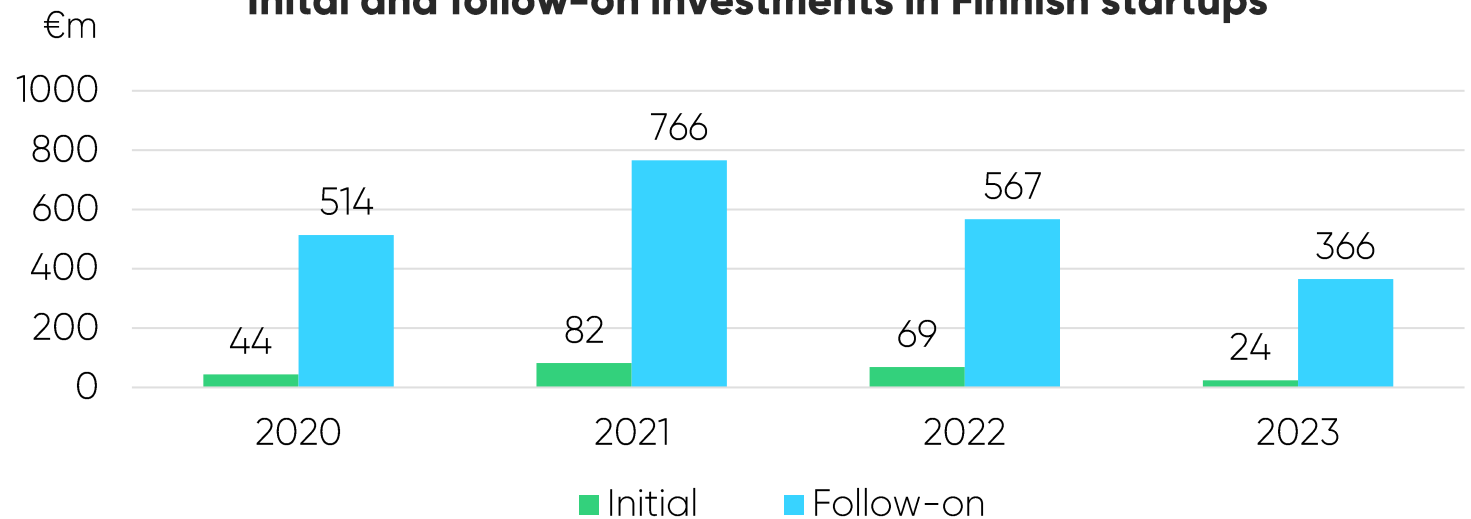
The number of companies that received venture capital investment for the first time decreased by 32% but is still at a higher level than in 2020.

The amount of initial investments in euros is at its lowest compared to recent years.

Initial and follow-on investments in Finnish startups



Initial and follow-on investments in Finnish startups



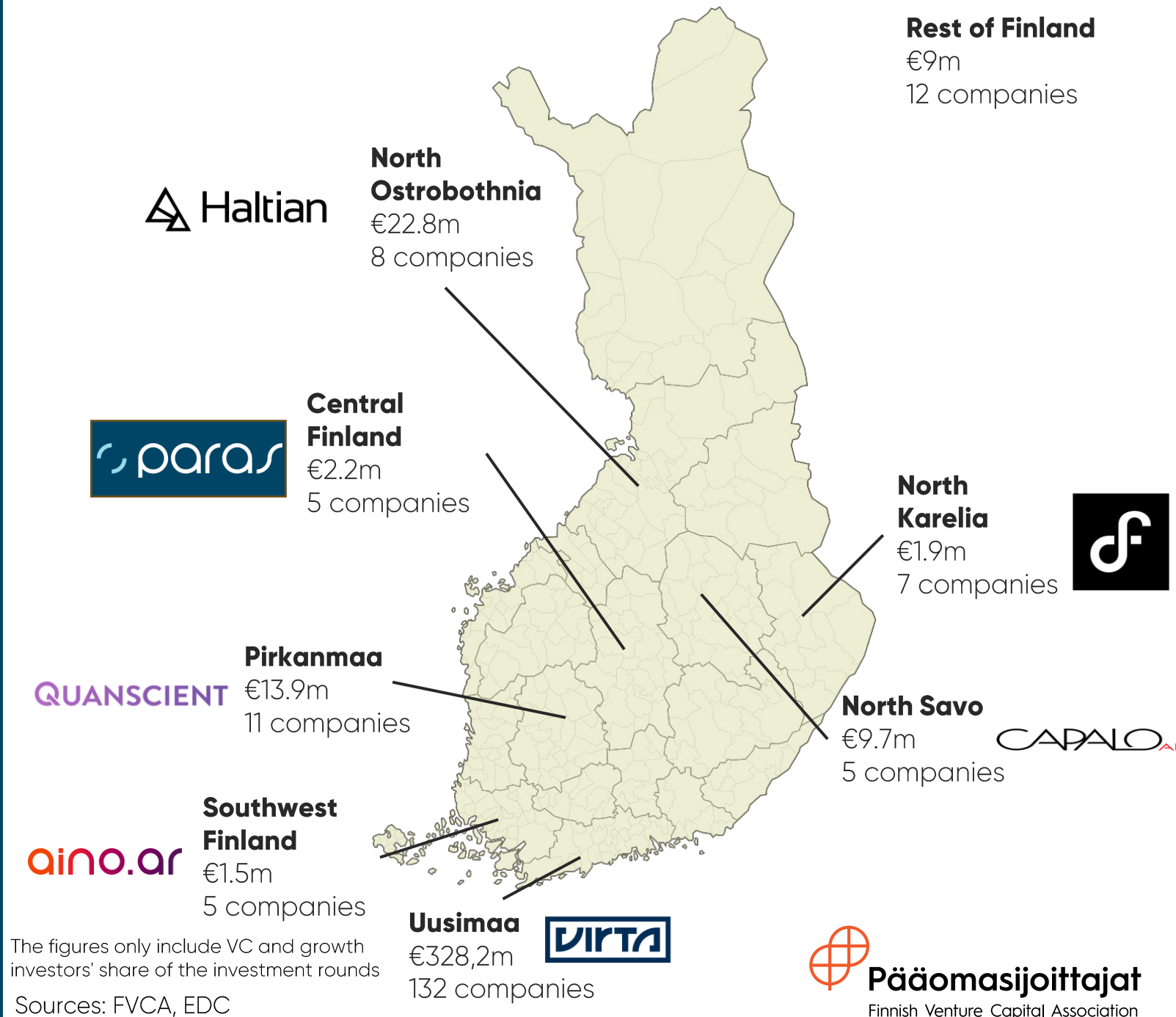
Startups around Finland raised VC and growth investments

€22.8m

After Uusimaa, North-Ostrobothnia received the second-highest amount of investments.

The next highest amount of investments were made to startups in Pirkanmaa (€14m) and North Savo (€9.7m).

Most of the investments were made to startups in Uusimaa



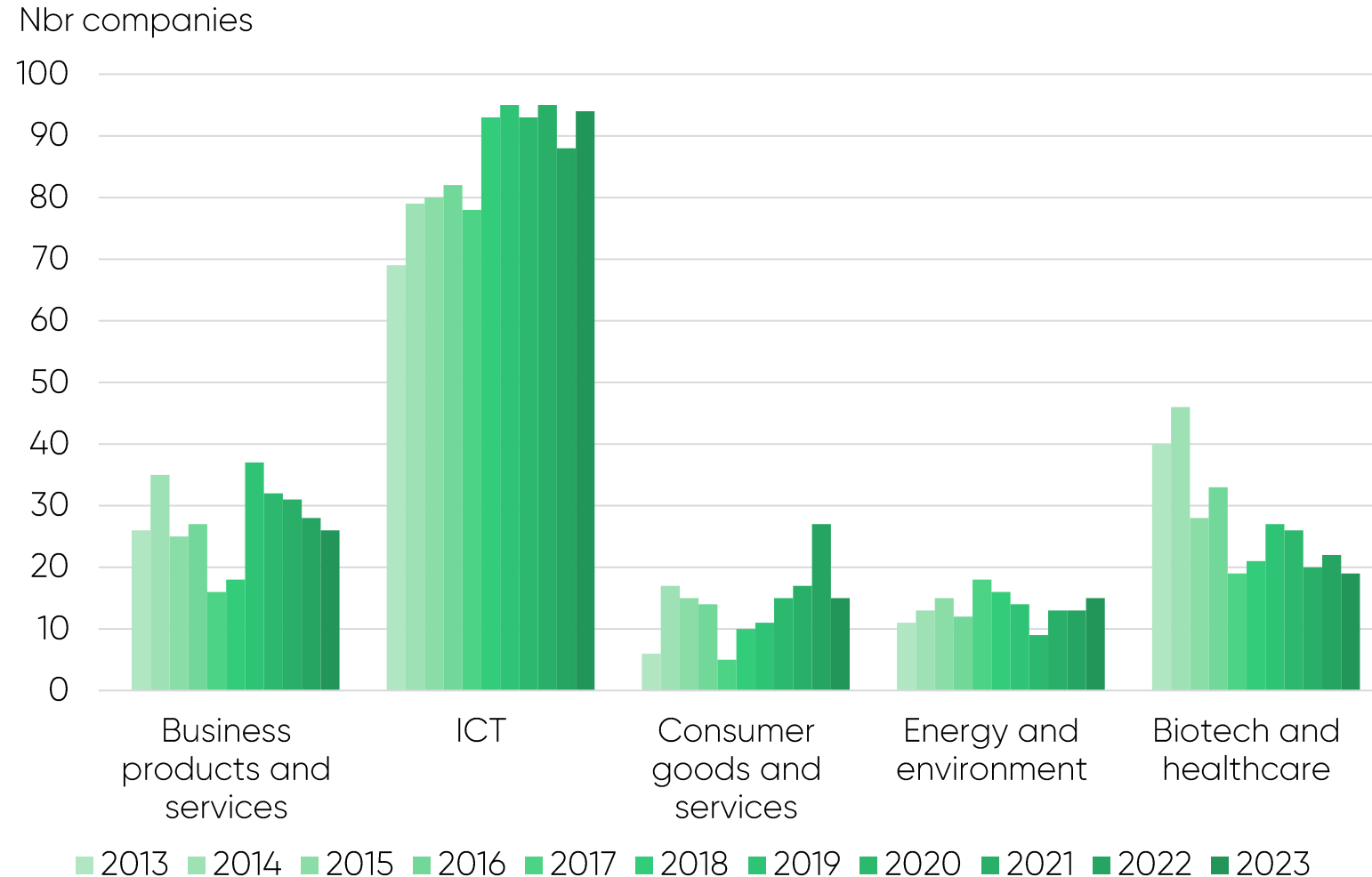
ICT companies are the most popular investment targets

51 %

Approximately half of the startups that received investments during the year 2023 operate in the ICT sector.

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

VC and growth investments in Finnish startups by industry



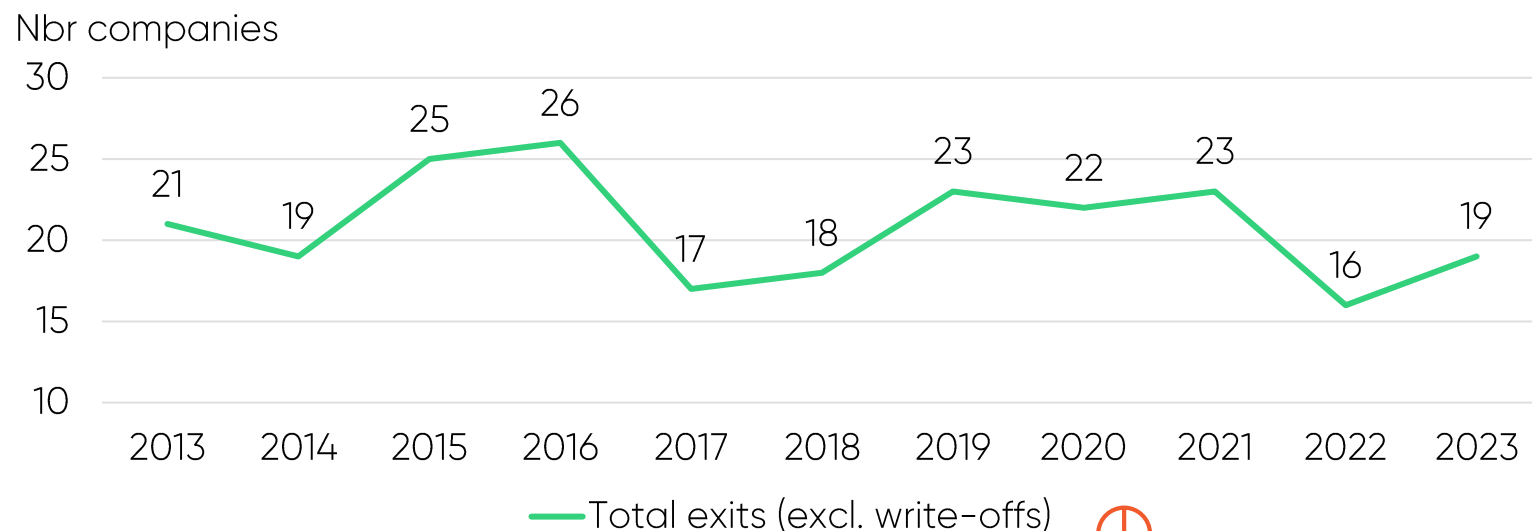
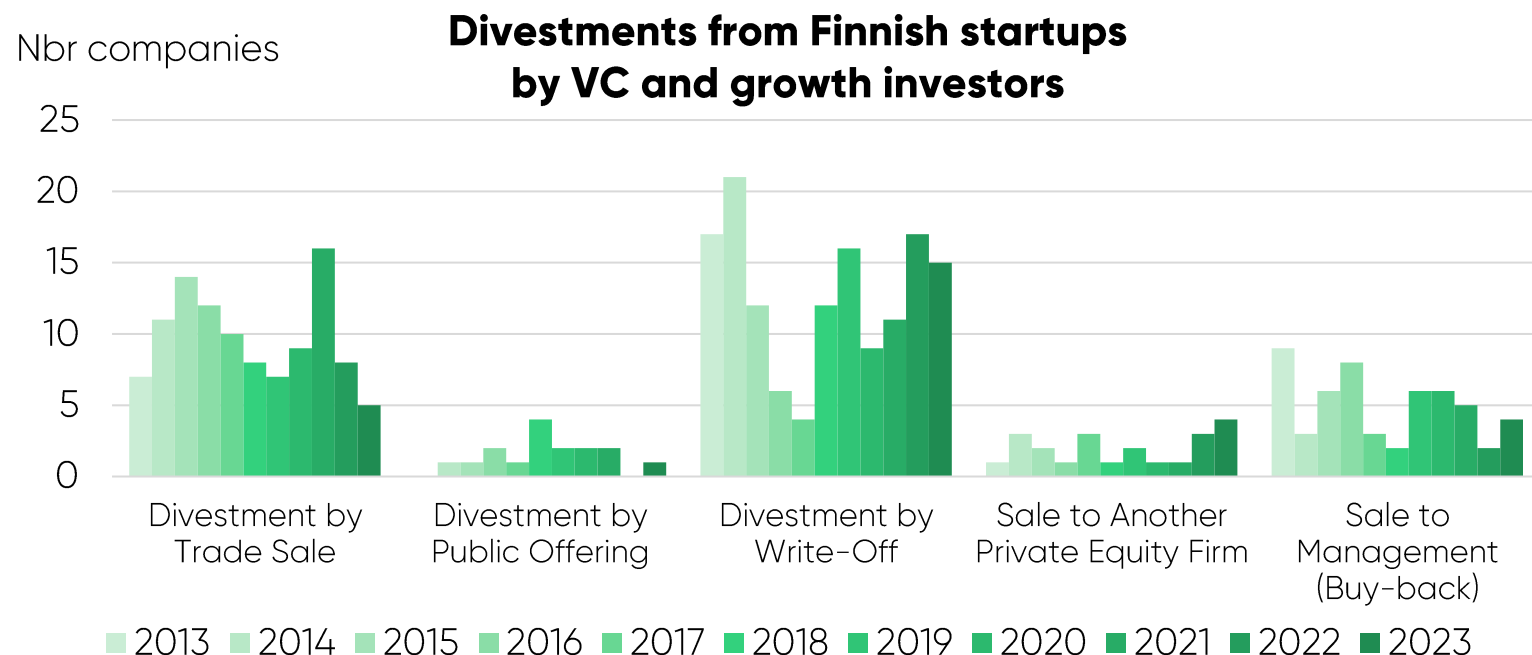
Divestments

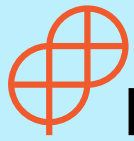
Divestments by trade sale at their lowest level

Five startup companies were exited by trade sale, which is one of the lowest amounts in history and reflects last year's slow M&A market.

After write-offs, divestment by trade sale was however the most common way to exit.

Write-offs have been at historically high levels in the last two years.

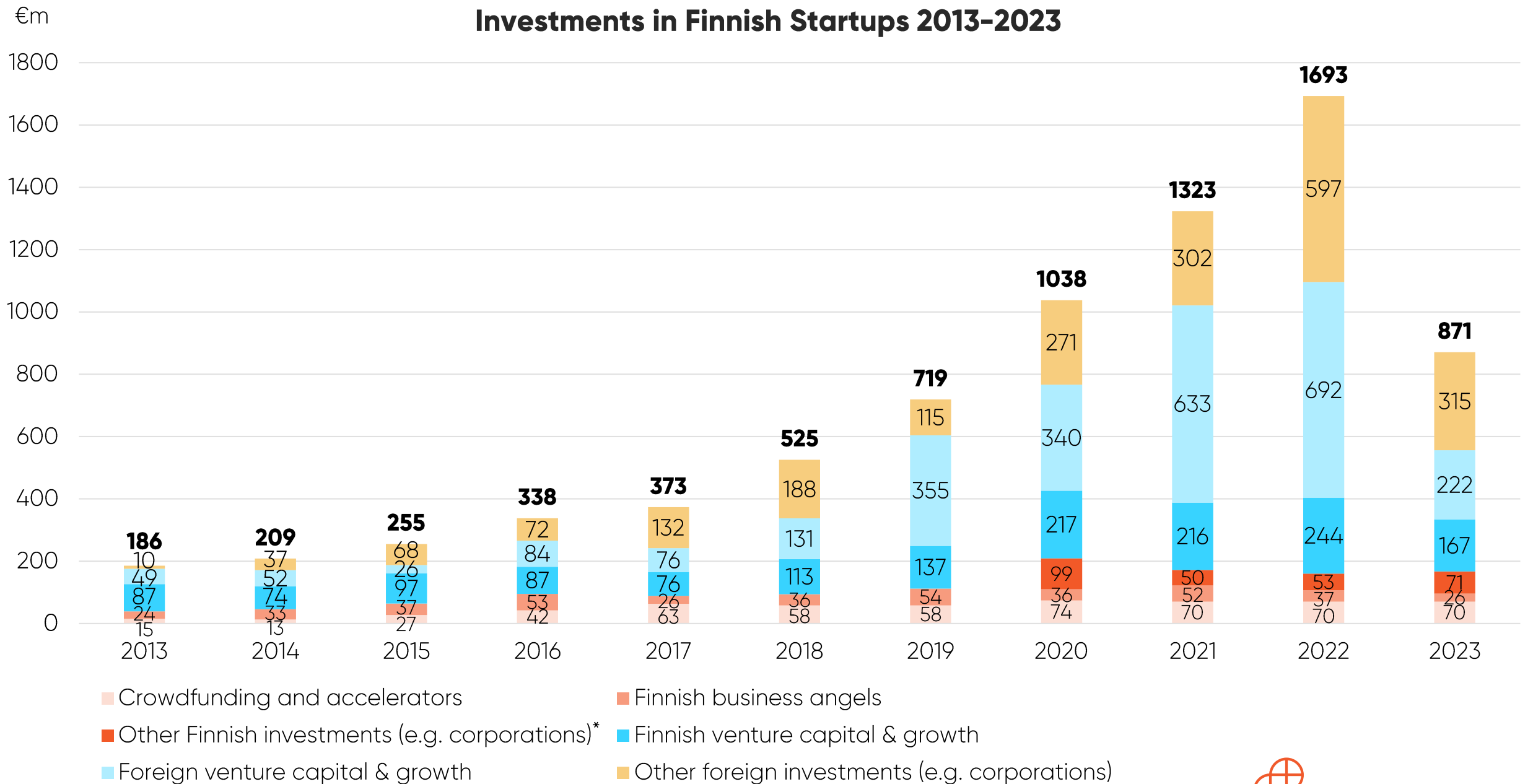




Pääomasijoittajat

Finnish Venture Capital Association

Investments in Finnish startups



Examples of investments in Finnish startups 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.  **SUPERCHELL** **€98m** 2013

13.  **MariaDB** **€92m** 2022

14.  **hmd.** **€86m** 2018

15.  **aiven** **€84m** 2021



Pääomasijoittajat

Finnish Venture Capital Association

Summary of Finnish venture capital and private equity statistics

Venture capital, growth & buyout 2023

All private equity 2023

€768m

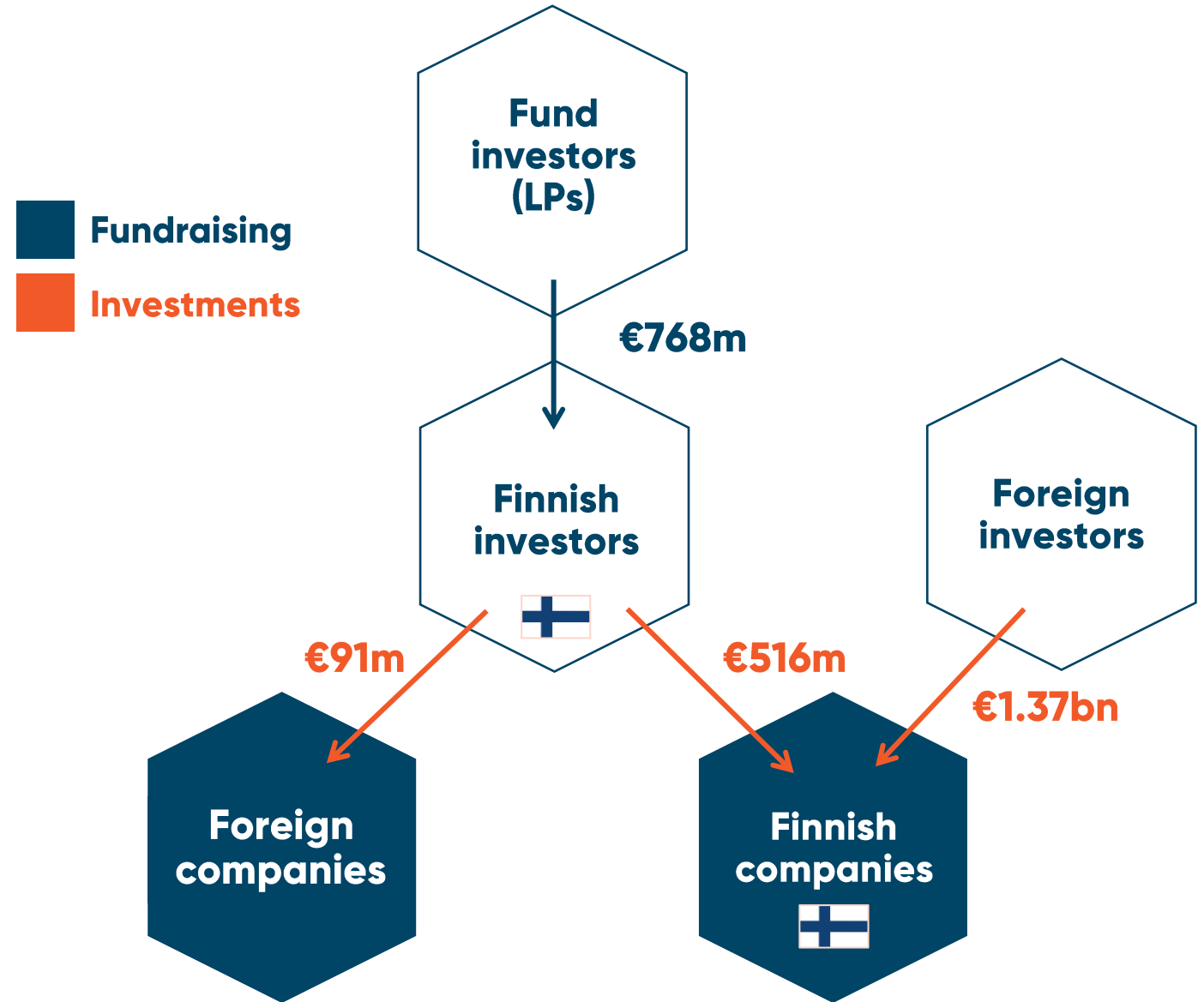
Funds raised into private equity funds for future investments.

€607m

Total amount of investments by Finnish private equity investors.

€1.9bn

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

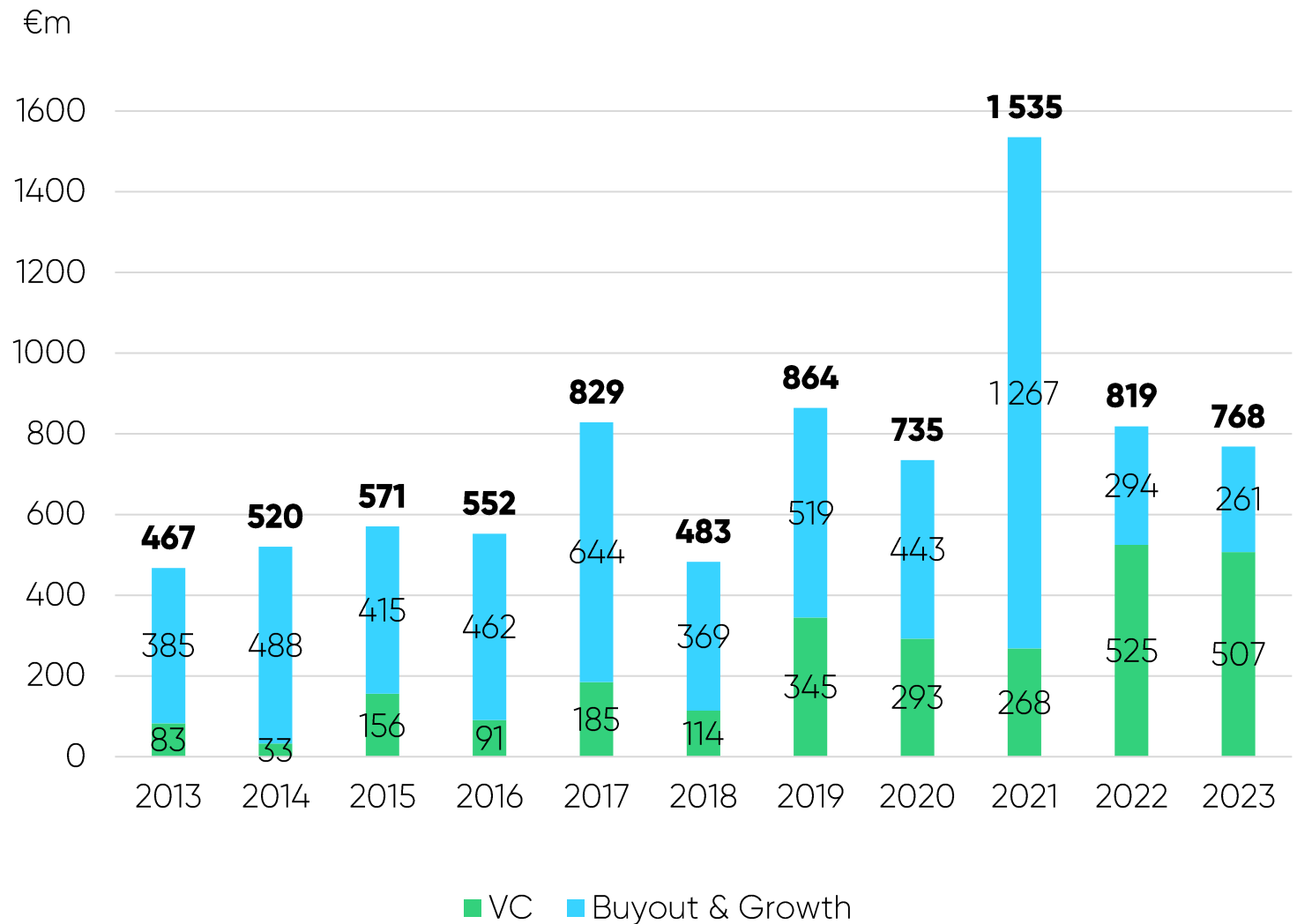


Fundraising of Finnish private equity investors

€768m

Fundraising of Finnish private equity funds remained quite stable, decreased by 6% compared to the previous year.

Fundraising of Finnish private equity funds



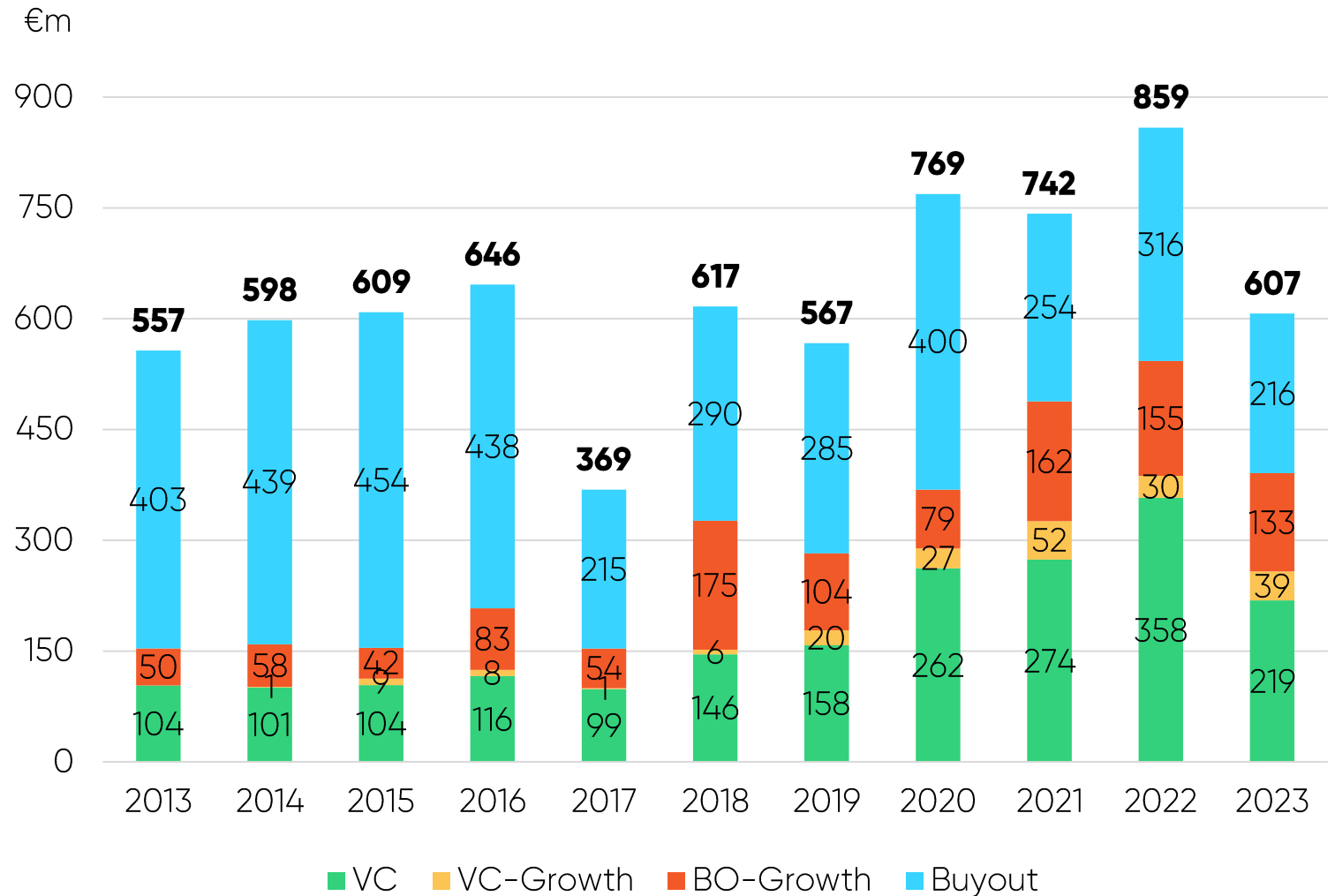
Investments by Finnish venture capital and private equity investors

€607m

Investments made by Finnish private equity investors decreased by 29% in 2023.

The decline reflects the general downturn in the domestic and global M&A market.

Investments by Finnish private equity investors



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

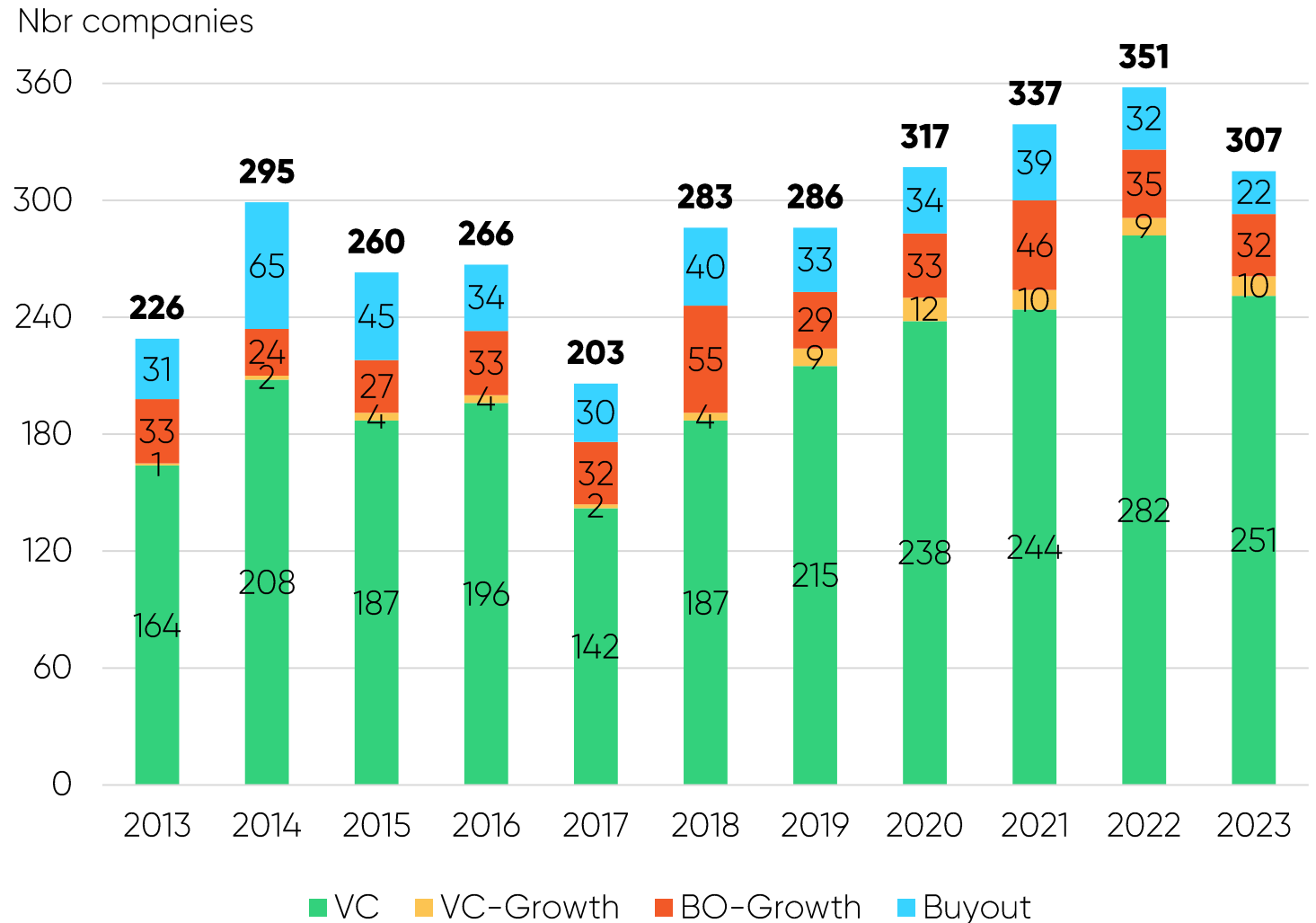
Sources: FVCA, EDC

Investments by Finnish venture capital and private equity investors

307 companies

The number of companies that received investments from Finnish private equity investors decreased by 13% compared to the previous year.

Investments by Finnish private equity investors



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

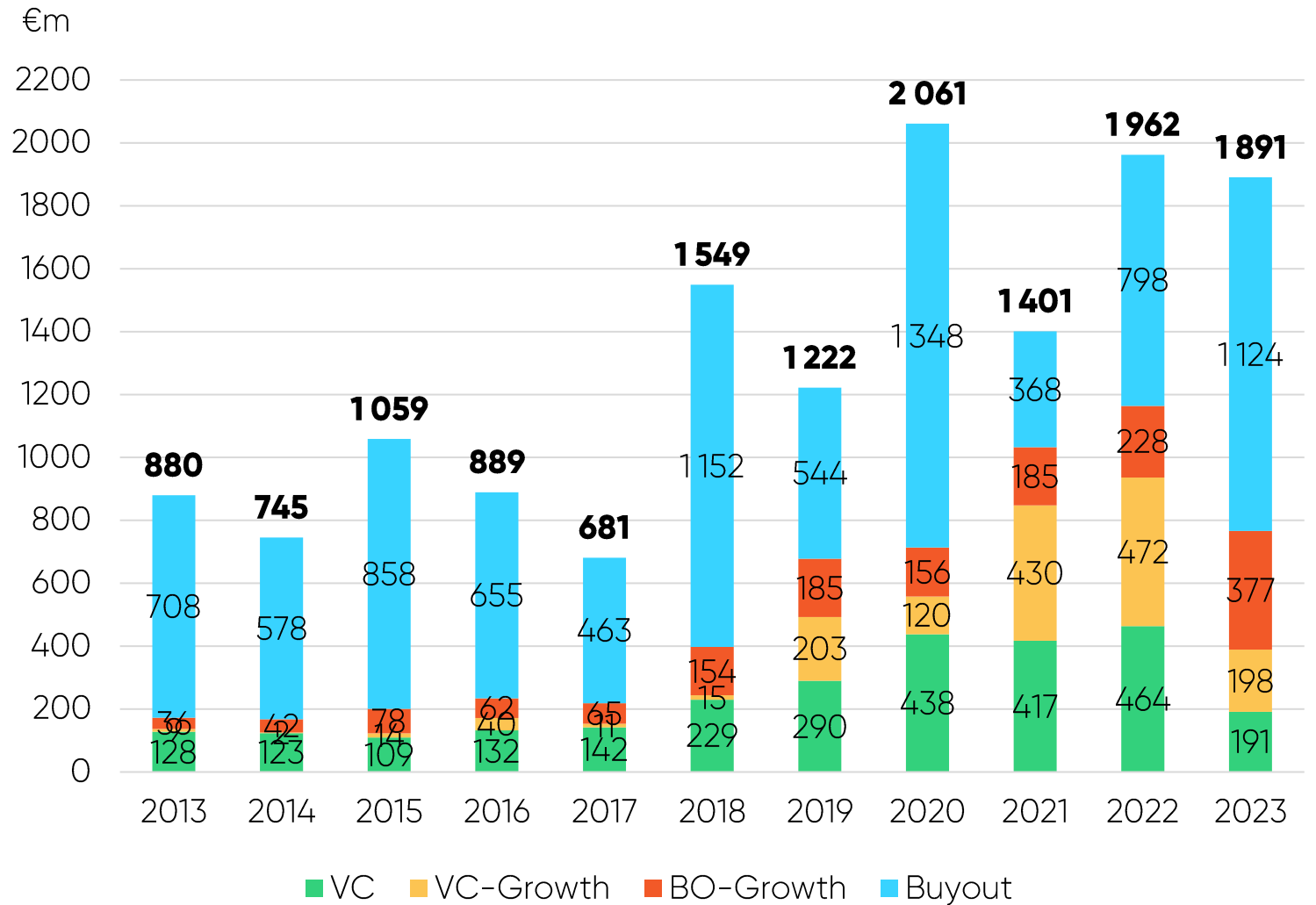
Sources: FVCA, EDC

Venture capital and private equity investments in Finnish companies

€1.9bn

Private equity investments in Finnish companies decreased by 4% from 2022, but stayed at nearly same level as in record high years.

Private equity investments in Finnish companies

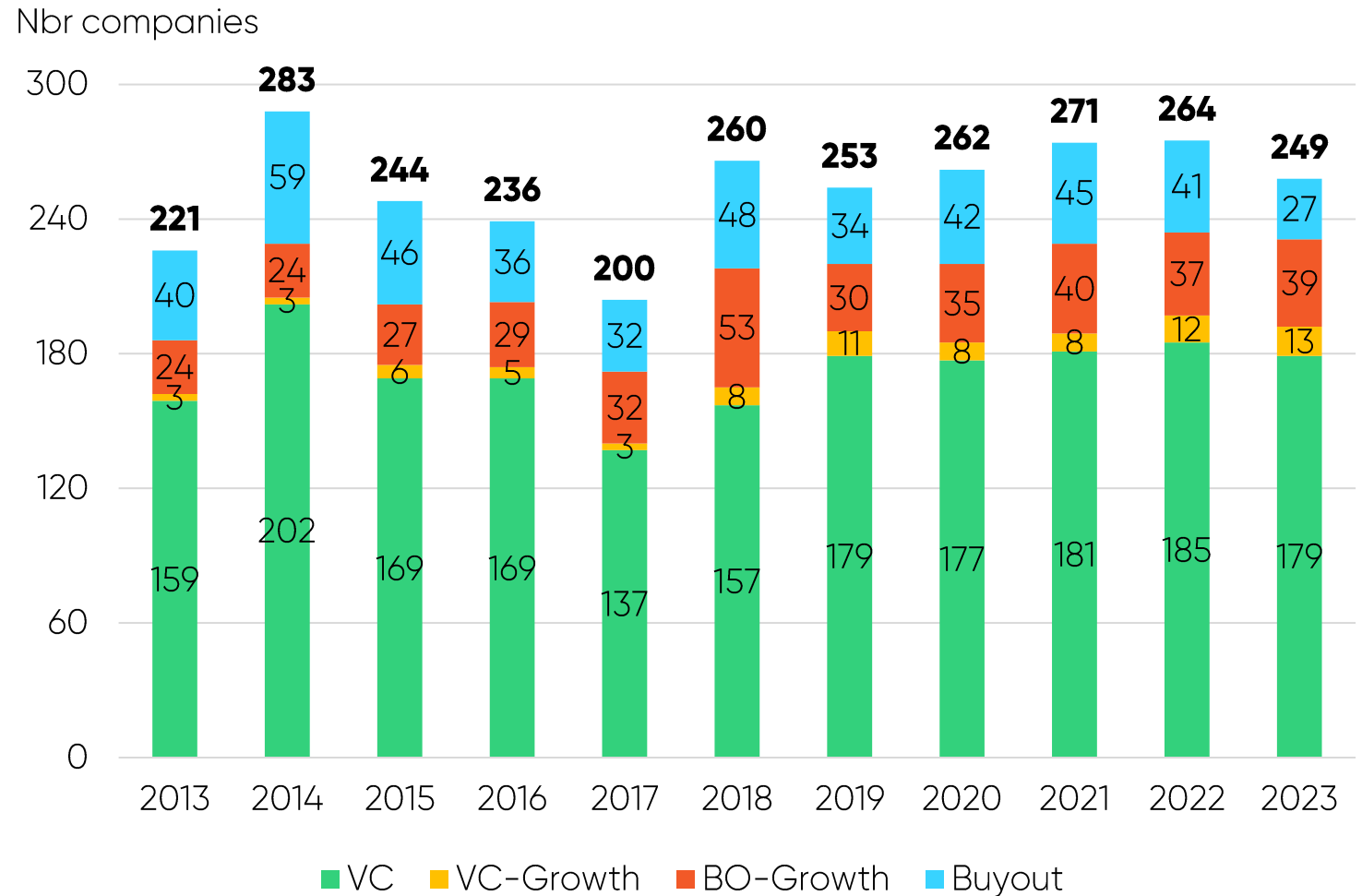


Venture capital and private equity investments in Finnish companies

249 companies

The number of companies that received investments from domestic and foreign private equity investors decreased by 6%.

Private equity investments in Finnish companies



Private equity investors 2023

Venture capital, growth and
buyout statistics in brief

- Finnish venture capital and private equity investors invested a total of **€607m** (-29 %) into **307** (-13 %) domestic and foreign growth companies.
- Finnish startup and growth companies raised a total of **€1.9bn** (-4 %) in investments, with a total of **249** (-6 %) companies receiving investments.
- New capital raised by Finnish buyout, growth and venture capital funds, totaling **€768m** (-6 %) in 2023, will be invested in startups and growth companies in the coming years.



Pääomasijoittajat

Finnish Venture Capital Association

Methodology

The following private equity associations are cooperating with EDC

Active Owners Denmark, Denmark

AIFI, Italy

BVA, Belgium

BgVCA, Bulgaria

BVCA, UK

BVK, Germany

CVCA, Czech Republic

France Invest, France

FVCA, Finland

Invest Europe, Europe

LPEA, Luxembourg

NVCA, Norway

NVP, Netherlands

PSIK, Poland

ROPEA, Romania

SECA, Switzerland

SPAINCAP, Spain

SVCA, Sweden

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 directly from VC/PE investors via an online survey and complemented with public sources of information.
- Figures are updated continuously and are therefore subject to change.

Note: The EDC 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 financial institutions, are not included in EDC statistics. The activity falling outside EDC's methodology is however included in the figures in the section "Investments in Finnish startups".

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 may exclude unspecified variables.

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

Investment stages

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
GROWTH*	VC-Growth (Venture growth, venture-backed growth)	Growth investments made with either continued participation by a VC fund on the investment round, or else full divestment by the involved VC fund(s) at the time of the Growth round
Kasvuvaiheen yrityksiin kohdistuvat pääomasijoitukset	BO-Growth (Buyout growth, non-venture backed growth)	Growth investments where VC funds had either fully divested prior to the Growth round, or else had never backed the company in question before
BUYOUT	Rescue/Turnaround	Rescue/Turnaround
A transaction financed by a mix of debt and equity, in which a business, a business unit or a company is acquired	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

*The split of the growth-stage in VC-growth and BO-growth is included first time in the publication of 2023 statistics.