Tesi | 30 years

Finnish Startup Community

Pääomasijoittajat
Finnish Venture Capital Association

Startup Study

November 2025

Forewords

Finland's startup story is often told through a few headline successes. This report replaces anecdotes with a clear, shared picture of the landscape. For the first time, we consistently identify and classify Finland's startup-based companies at scale—over 4,000 founded since 2010—using a shared definition and transparent methodology. The result is a durable reference point: comparable across time, sectors, and regions, and designed to be replicated and refined.

Startups drive productivity, technology diffusion, and globally competitive jobs. Without a precise, widely accepted definition, debates drift into opinion. This report provides a foundation to move from assumptions to evidence—so founders, investors, researchers, and policymakers can speak the same language and test the same facts.

By harmonising classifications across thousands of companies and tracking their evolution—from early stage to scaleup, maturity, exit, and beyond—this dataset opens new lines of inquiry, including regional pipelines and clusters, capital formation and compensation, and the wealth created through employee equity. It also provides a consistent basis for evaluating policy and funding over time.

This work was made possible by seamless collaboration between Tesi, the Finnish Startup Community and the Finnish Venture Capital Association. We also thank FiBAN, Startup100, and Slush as well as other external experts for providing valuable data and insights. On a personal note, we especially thank Jakob Sandell, who led the day-to-day execution of this project. We also extend our personal thanks to Amir Hassan, and Ossi Tuominen for their valuable contributions, and to the many colleagues across our organisations who supported the work. The discipline and commitment of everyone involved turned a complex, multi-source effort into a clear, replicable baseline.

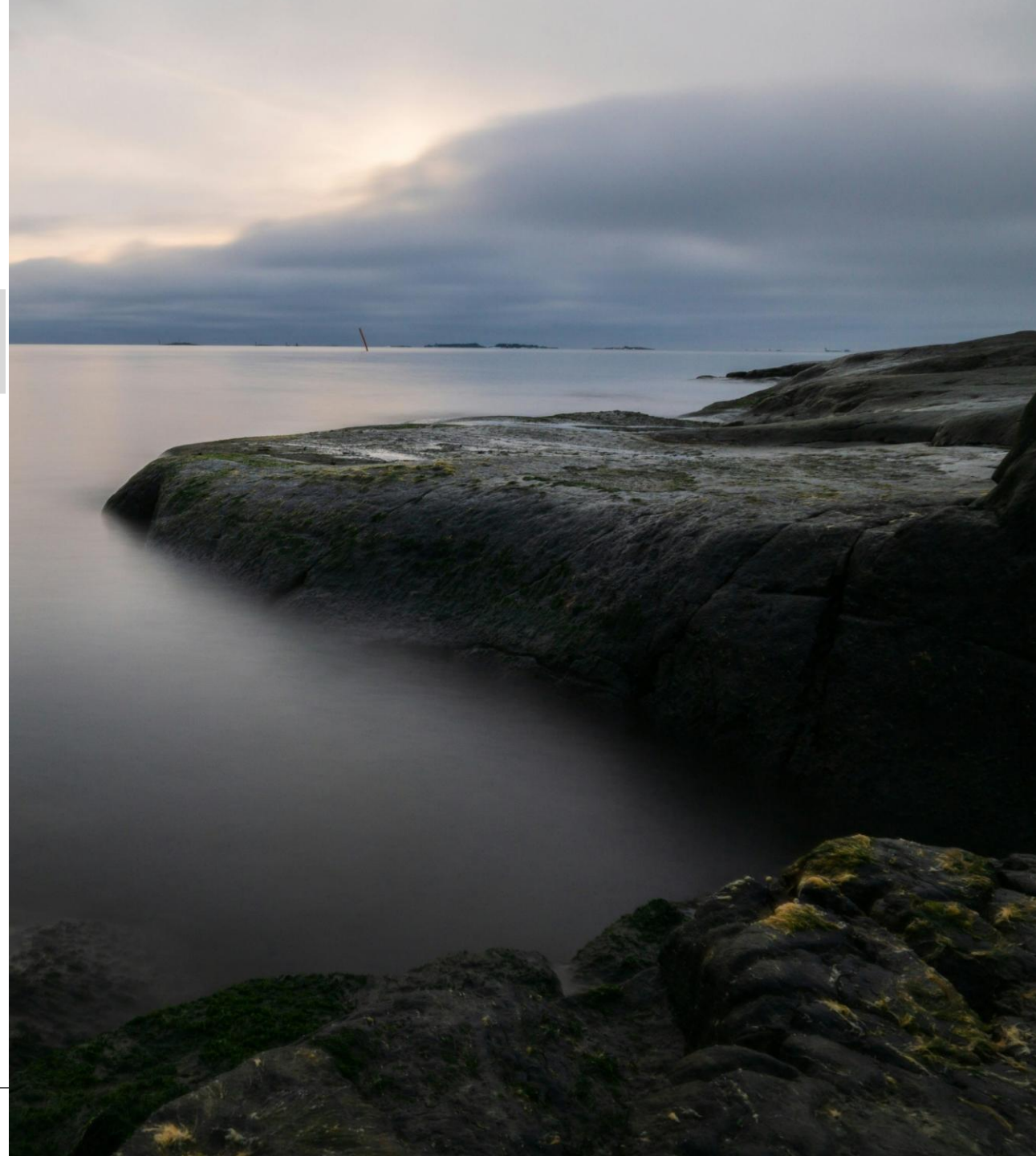
We offer this study as a living foundation. It aims to catalyse research on talent flows, capital efficiency, geography, and inclusion—and on the conditions that help early-stage firms become enduring global companies. We invite the community to use this study, and offer us your ideas and opinions for further development.

Henri Hakamo, Youssef Zad, Jonne Kuittinen

In Helsinki, 4th of November 2025

Tesi Finnish Startup Community Pääomasijoittajat Finnish Venture Capital Association

Agenda



Thousands of early-stage startups generate a few breakout successes – the most common story is software firms built with venture capital and international talent

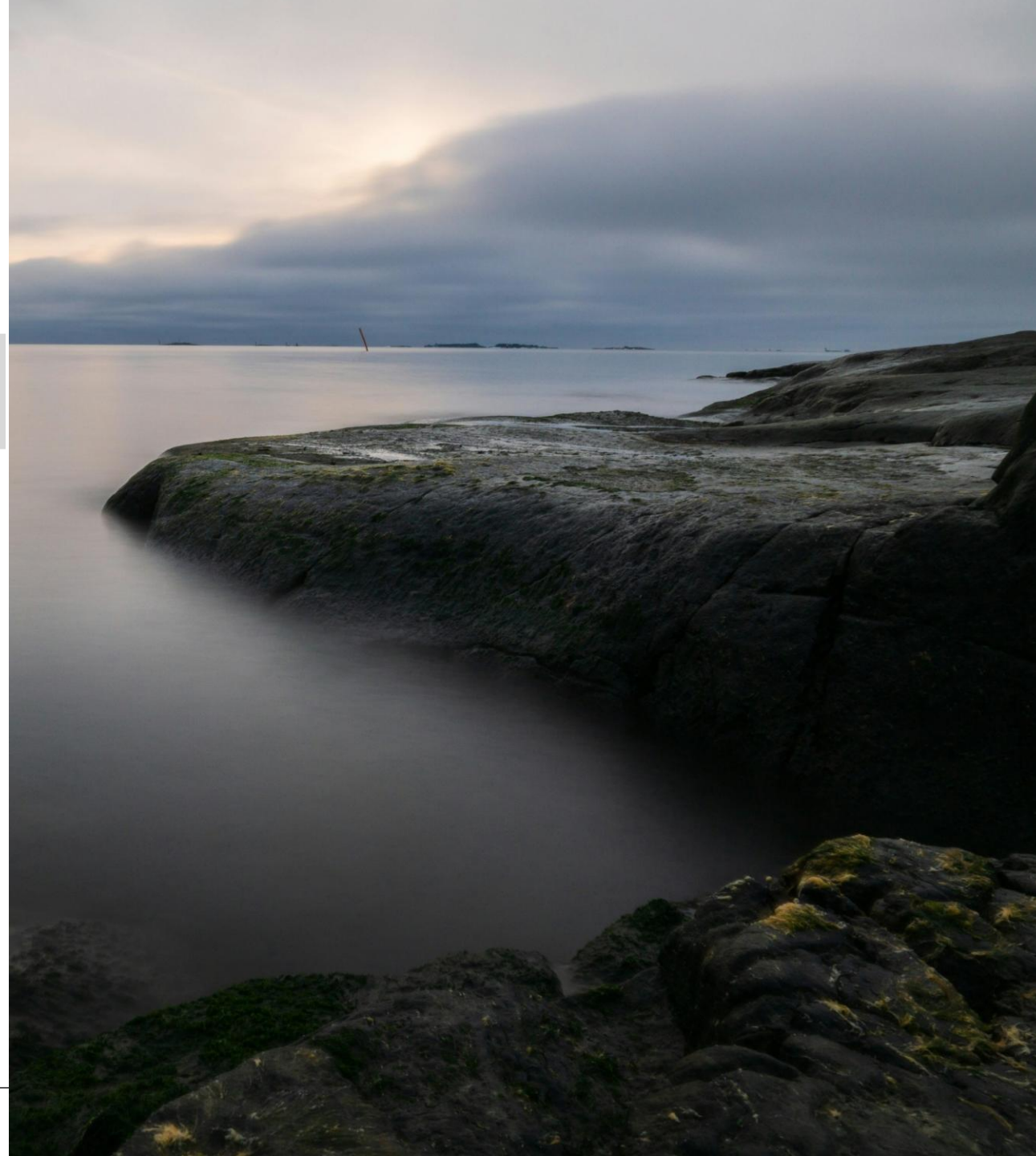
Executive summary

- Finland's startup ecosystem encompasses 4,000+ startup-origin companies, including roughly 2,000 active early-stage startups (high potential, limited track record) and tens of scaleups (>€10m revenue and high growth). Startup-origin companies generate approx. €12 billion in annual revenues in aggregate, underscoring their growing weight in the economy. Similarly, they employ close to 50,000 people worldwide. Early-stage startups themselves contribute only a small fraction of these numbers, as big sales and employment numbers typically come after the few breakout successes have scaled and matured.[1]
- New startup founding peaked in 2020 with 584 launches, possibly driven by COVID-era necessity and opportunity. Post-2021, however, startup formation has dropped to ~270 per year, indicating a slowdown after the pandemic surge[2]. Startup activity is heavily clustered around Helsinki, with other notable early-stage startup hubs being neighboring Espoo, Tampere, Oulu and Turku.
- Early-stage startups diverge onto a few common paths after their first years. A small elite achieves scaleup status and grows to international scale. Many others level off into "settlers" or "veterans" – sustainable businesses with no or slow growth – instead of realizing their initial high-growth ambitions. Many further firms are either sold or cease to exist (e.g. due to bankruptcy).
- The Finnish startup scene is dominated by tech/software firms, with roughly half of startups being software or IT companies. Traditional sectors like manufacturing are less represented, while emerging verticals – AI, health tech, and cleantech– are on the rise, especially in recent cohorts.
- Early-stage funding has become relatively harder to secure in recent years the recent boom. Despite fewer companies getting funded early, overall investment capital has stayed high, buoyed by occasional mega-deals (e.g. the 2022 funding rounds by Wolt and Oura). Typically, a few big scaleup deals are enough to equal the funding amount of hundreds of smaller early-stage deals, illustrating how a few large rounds drive considerable volatility in annual totals.
- Finnish startups are increasingly powered by international talent. More than a quarter of startup employees have a foreign background, and in scaleups nearly 40% of workers are foreign nationals by 2022. This highlights the crucial role of foreign experts in scaling companies. Gender diversity is improving gradually: women currently make up roughly 30% of the startup workforce (with female representation highest in scaleups at ~32%). While the tech ecosystem remains male-dominated, the share of female employees has been rising year-over-year, reflecting efforts to narrow the gender gap.
- Future scaleups pay better than early-stage ones from early on. An additional upside is in exits: employees of Finnish startups have reaped nearly €3 billion in cumulative capital gains (stock options, share sales, etc.) over the past decade. These payouts – though uneven year to year – represent significant long-term rewards, with recent years marking all-time highs in founder and employee wealth realization from successful exits.

1. This figure is conservative, as some large exited firms (e.g. Wolt) are no longer reporting comparable figures
2. There is some inherent uncertainty in these figures, as we probably have not identified all new startups from recent years.

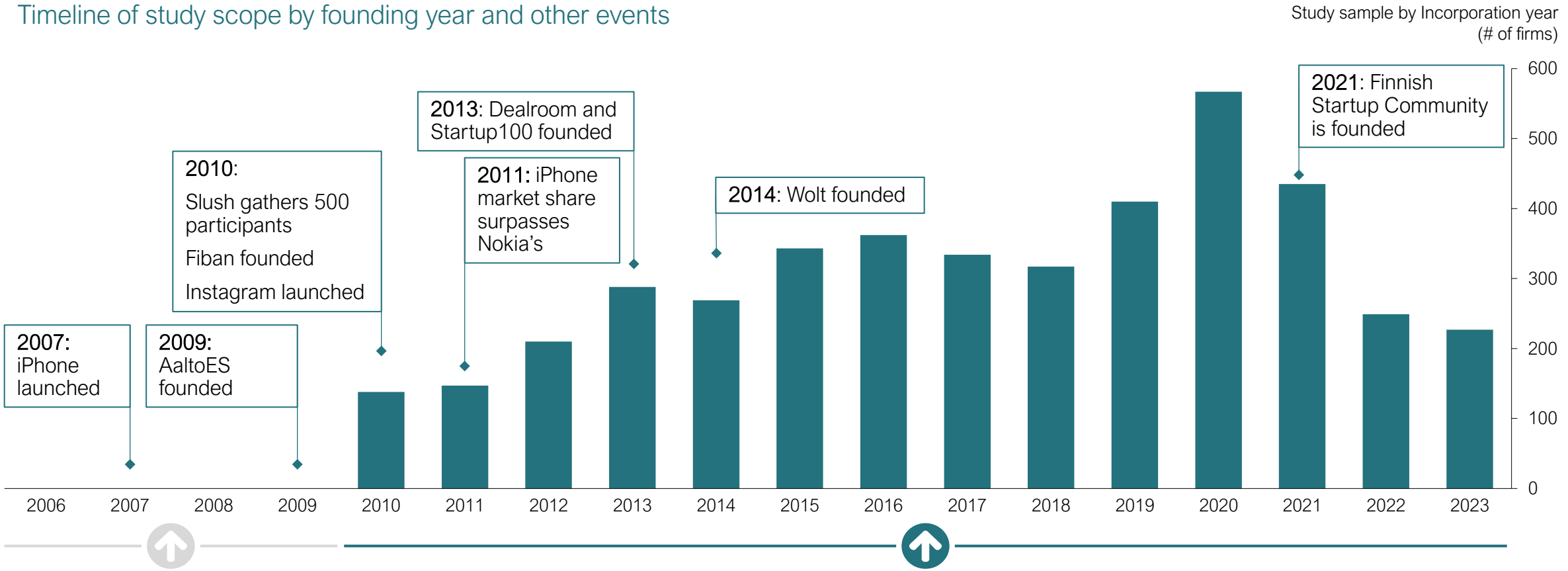
Agenda

- Executive summary
- Methodology
- The startup ecosystem in brief
- From early stages to exits
- Funding dynamics
- Employees and compensation
- Appendix



This study includes 4,000+ startups founded 2010 or later

Timeline of study scope by founding year and other events



Firms founded pre-2010 are not included in the study

e.g. ROVIO RELEX M-Files

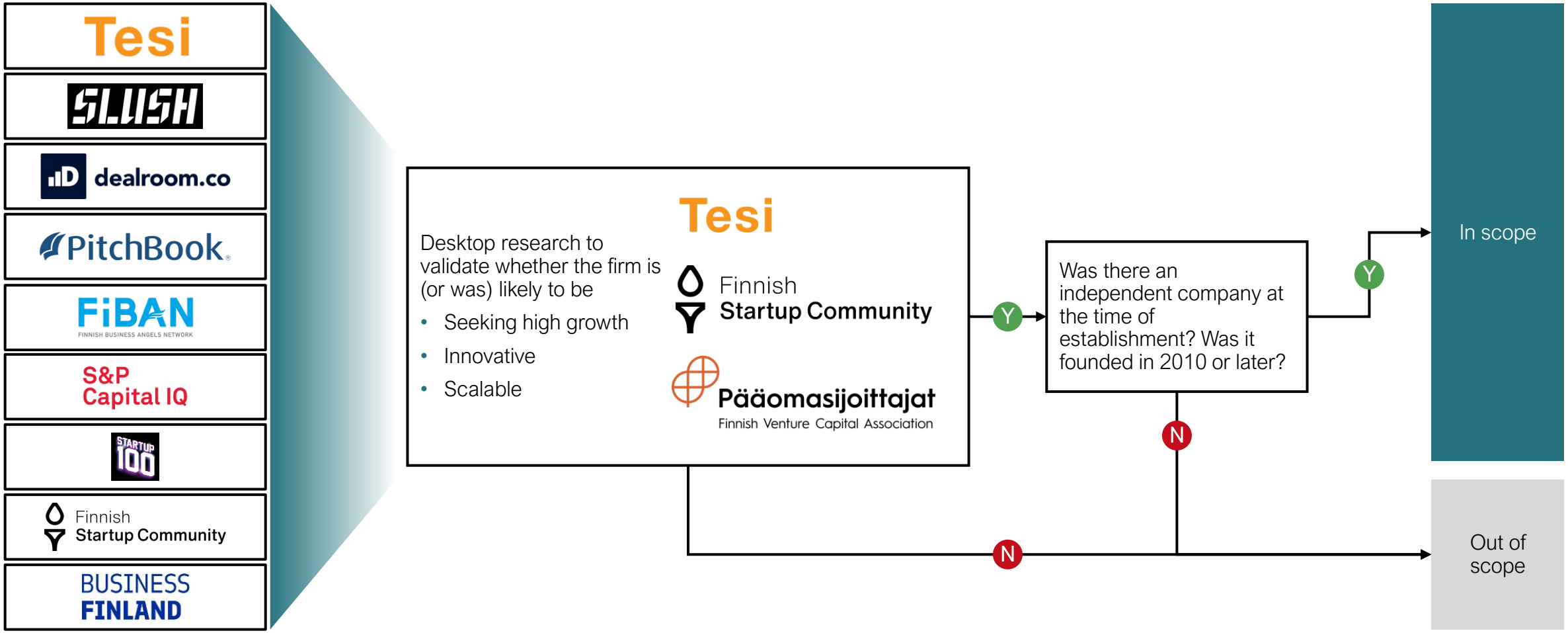
Included in study – coverage likely better in later years[1]

Wolt aiven algorithmiq SUPERCELL ICEYE FINNISH FIBER IQM VARJO HOXHUNT Swappie

1) Given the many sources, we are confident in having identified all startups with traction. Identifying startups that never e.g. generate meaningful revenue is much more difficult, especially for years with limited startup data availability.

We identify startups from a wide variety of sources and use a shared definition of what a “startup” is

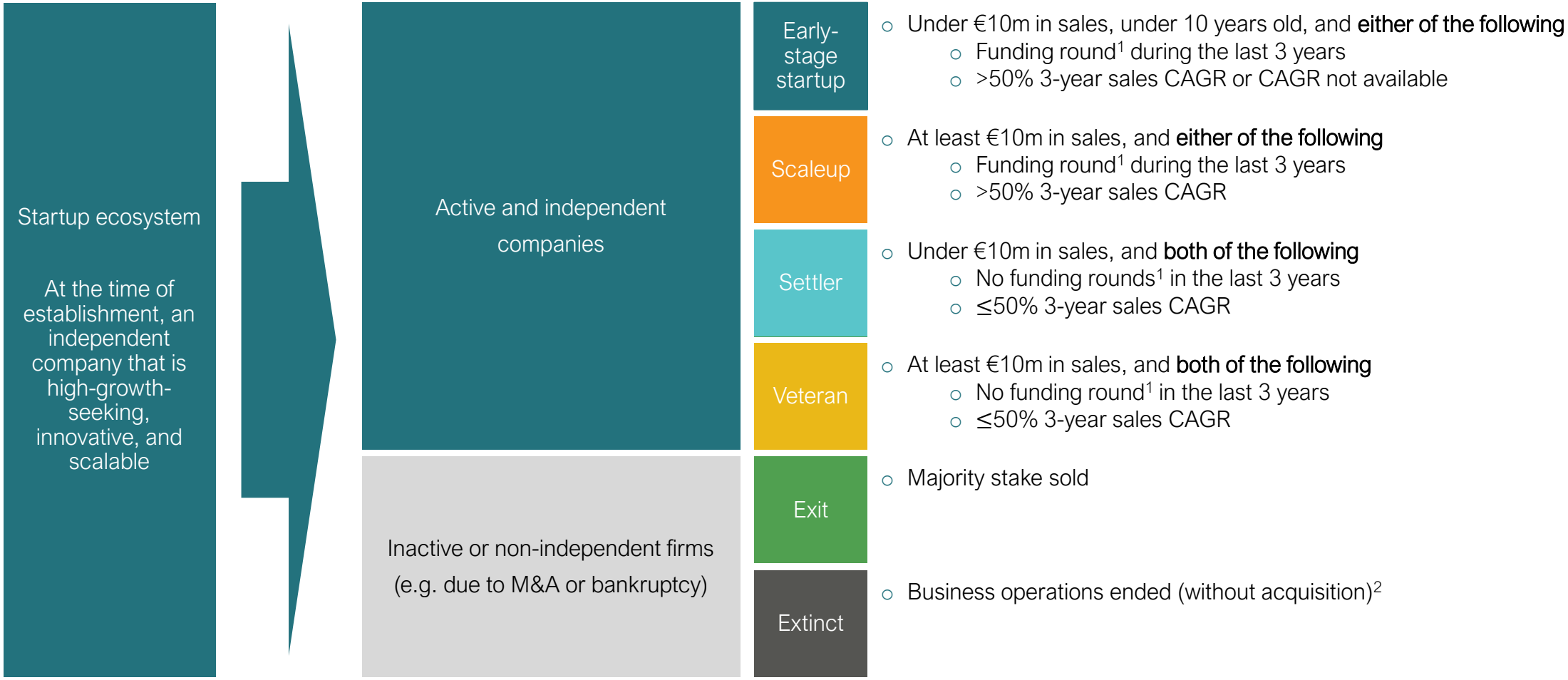
Charting startup-originated companies



Y = Yes N = No

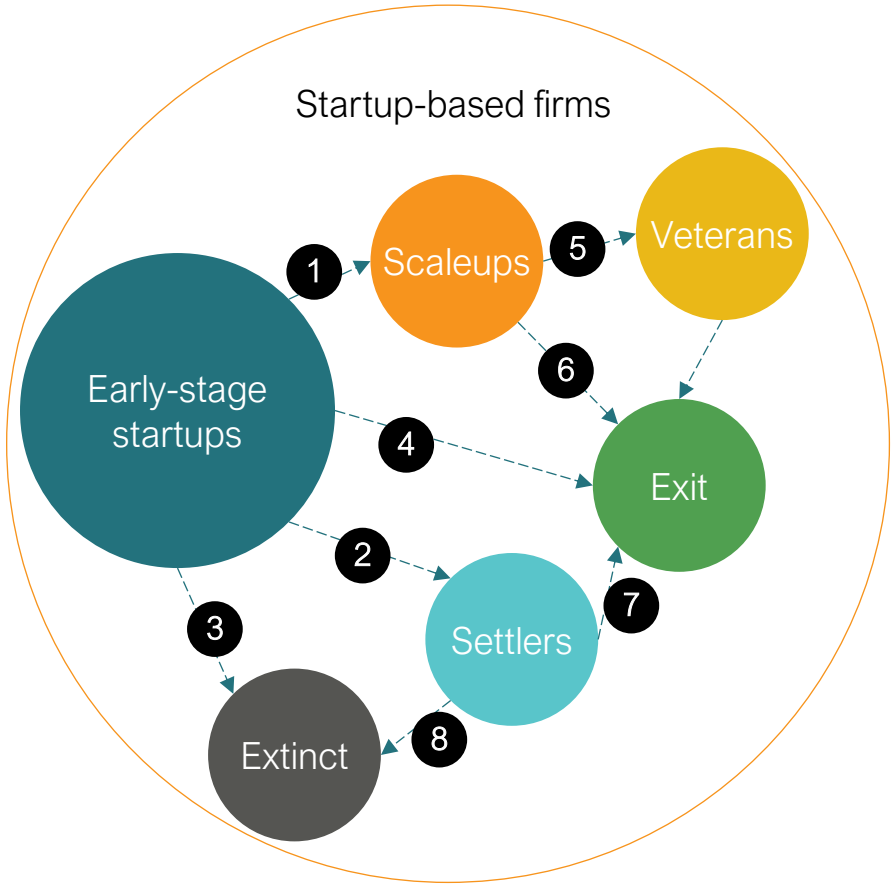
Startup-based companies are divided into six categories by looking at the company's status, size, growth, and funding

Categorization of startup-based companies



1) Funding rounds consist primarily of VC funding (for startups, also angel investments and accelerator/incubators).
2) Extinct may also refer to cases where a company has been acquired, but no available information of the acquisition exists.

All firms in this study are startup-based, but they are early-stage startups only in the first years of their life



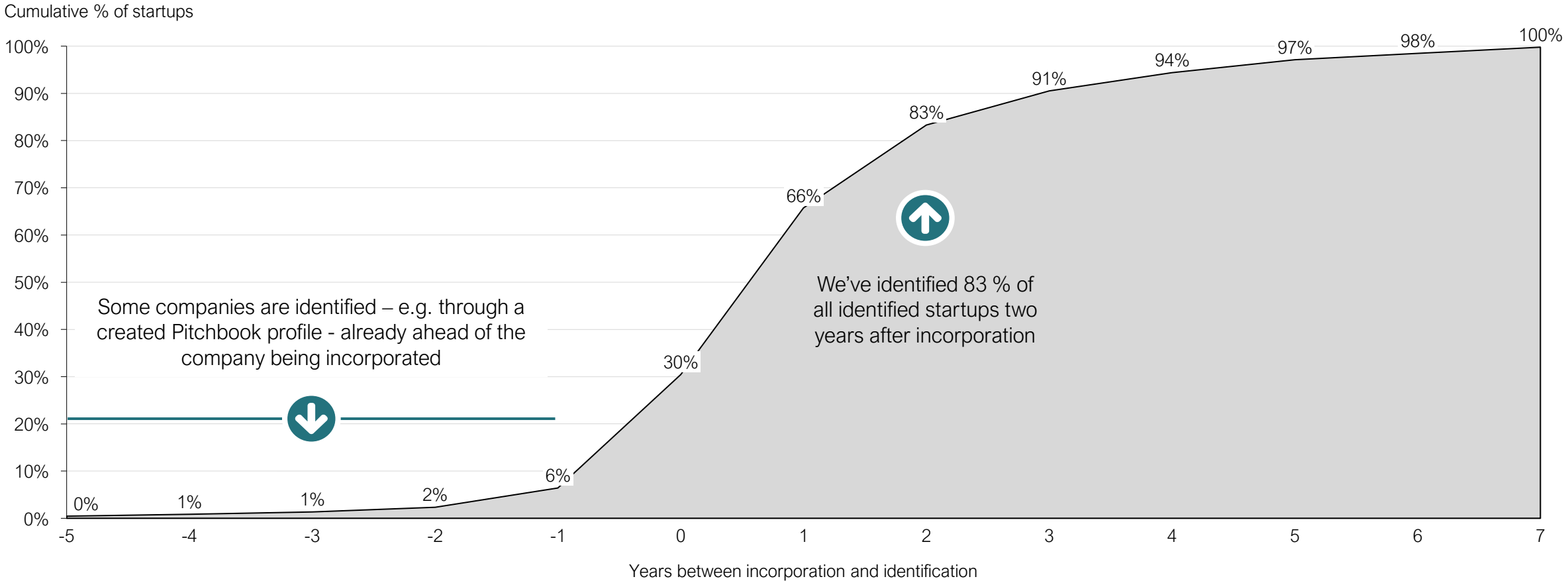
	Most common transitions	Case examples			
		Wolt	PRYTE	ŌURA	FINGER SOFT
1	The most successful early-stage startups grow to the next level and become scaleups	Year 4 (2018)		Year 6 (2019)	Year 1 (2017)
2	Early-stage startups that didn't reach their high ambitions but got a solid business out of their idea				
3	Early-stage startups that didn't make it				
4	Early-stage startups were sold at a very early stage		Year 1 (2014)		
5	All growth slows down at some point – these firms reached 10m€ revenues before growth stalling				Year 4 (2020)
6	The typical exit timing for the best-known success stories, international scale but still high growth	Year 7 (2021)			
7	Firms that didn't reach 10m€ revenue and growth slowed down before being sold				
8	Cessation of business activities after some time of slower growth				

Wolt	App-based food and retail marketplace. Exit to DoorDash announced 2021.
PRYTE	Short-term mobile data access. Exit to Facebook in 2014.
ŌURA	Smart ring measuring sleep, readiness, and activity.
FINGER SOFT	Maker of legendary mobile game Hill Climb Racing

Deep dive: Most startups are identified a year or two after them being officially founded

Lag between founding and identification

Cumulative share of startups identified by year n since incorporation



Source: Team analysis based on Tesi's data model

An extensive list of companies is compiled from a combination of Tesi's internal and external sources, and complemented and validated with FSC and FVCA

1 Long list of firms from various sources

- Tesi
- SLUSH
- dealroom.co
- PitchBook
- FiBAN Finnish Business Angels Network
- S&P Capital IQ
- Startup 100
- Finnish Startup Community
- Business Finland

2 Manual verification on whether firm has been a startup

Desktop research to validate whether the firm is (or was) likely to be

- Seeking high growth
- Innovative
- Scalable

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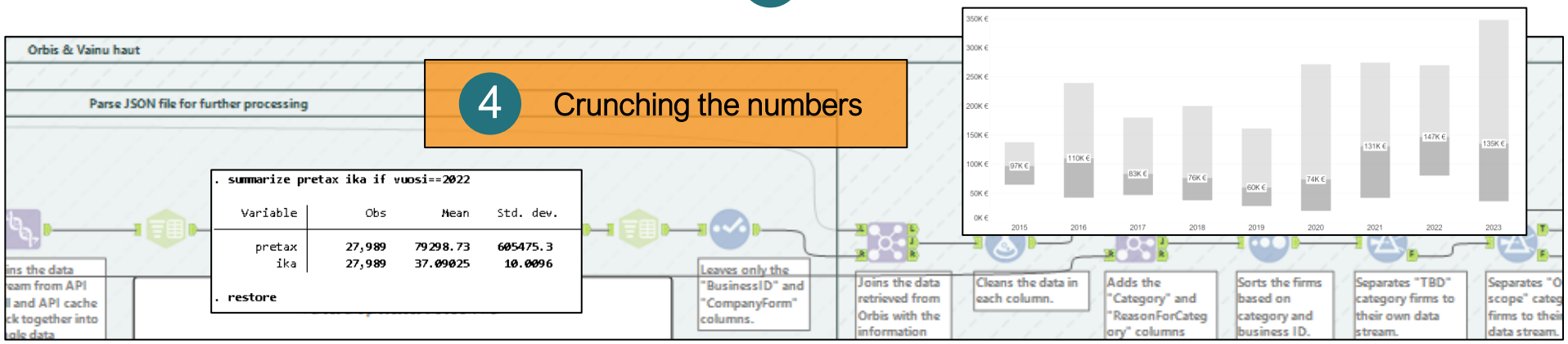
3 Company-level data from Tesi's data model and Statistics Finland

- Financials: orbis
- Funding data: PitchBook
- Verticals: VAINU
- Exit data: Talouselämä
- Funding data: Mergermarket
- Employee and founder data: Statistics Finland

4 Crunching the numbers



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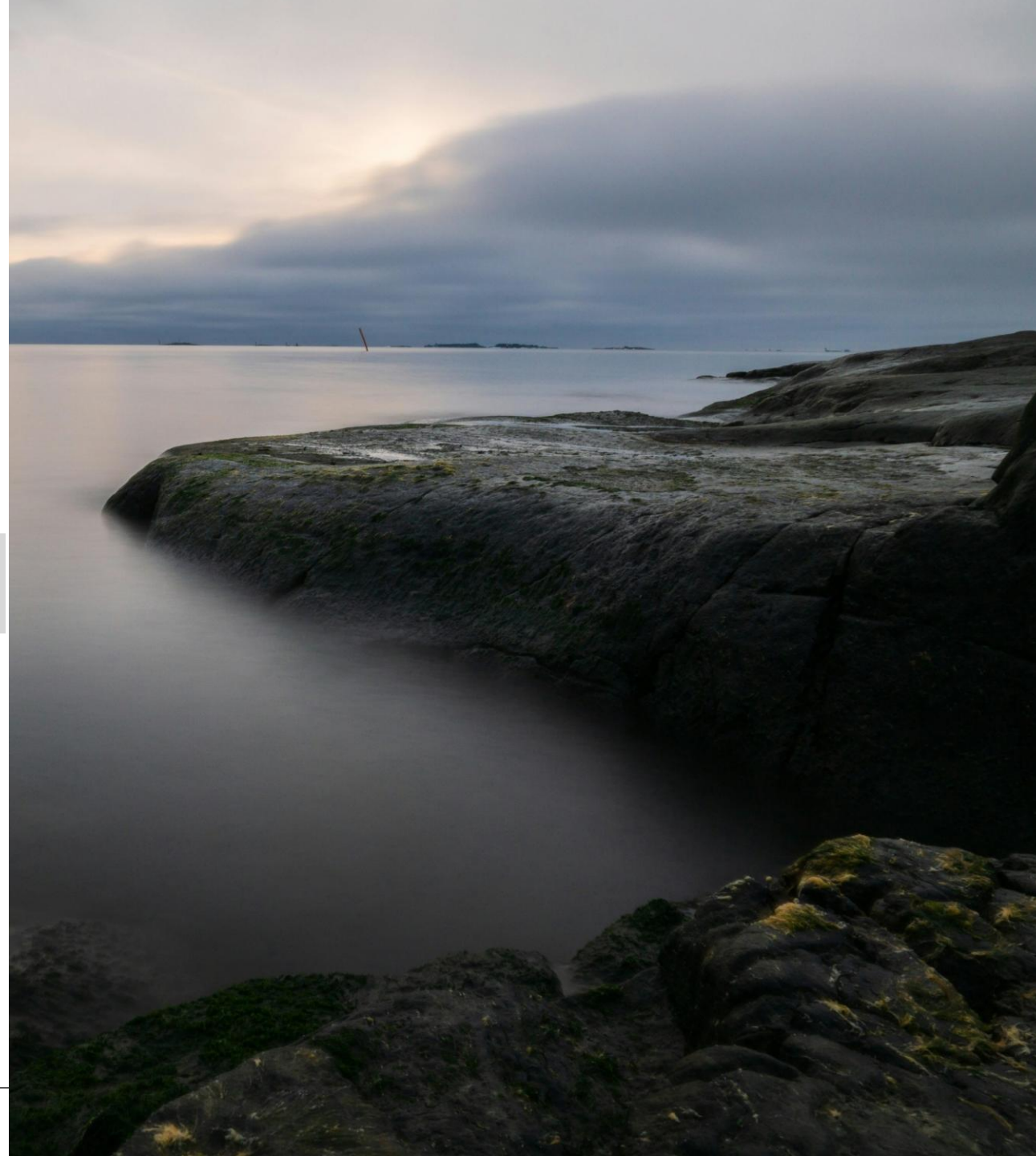
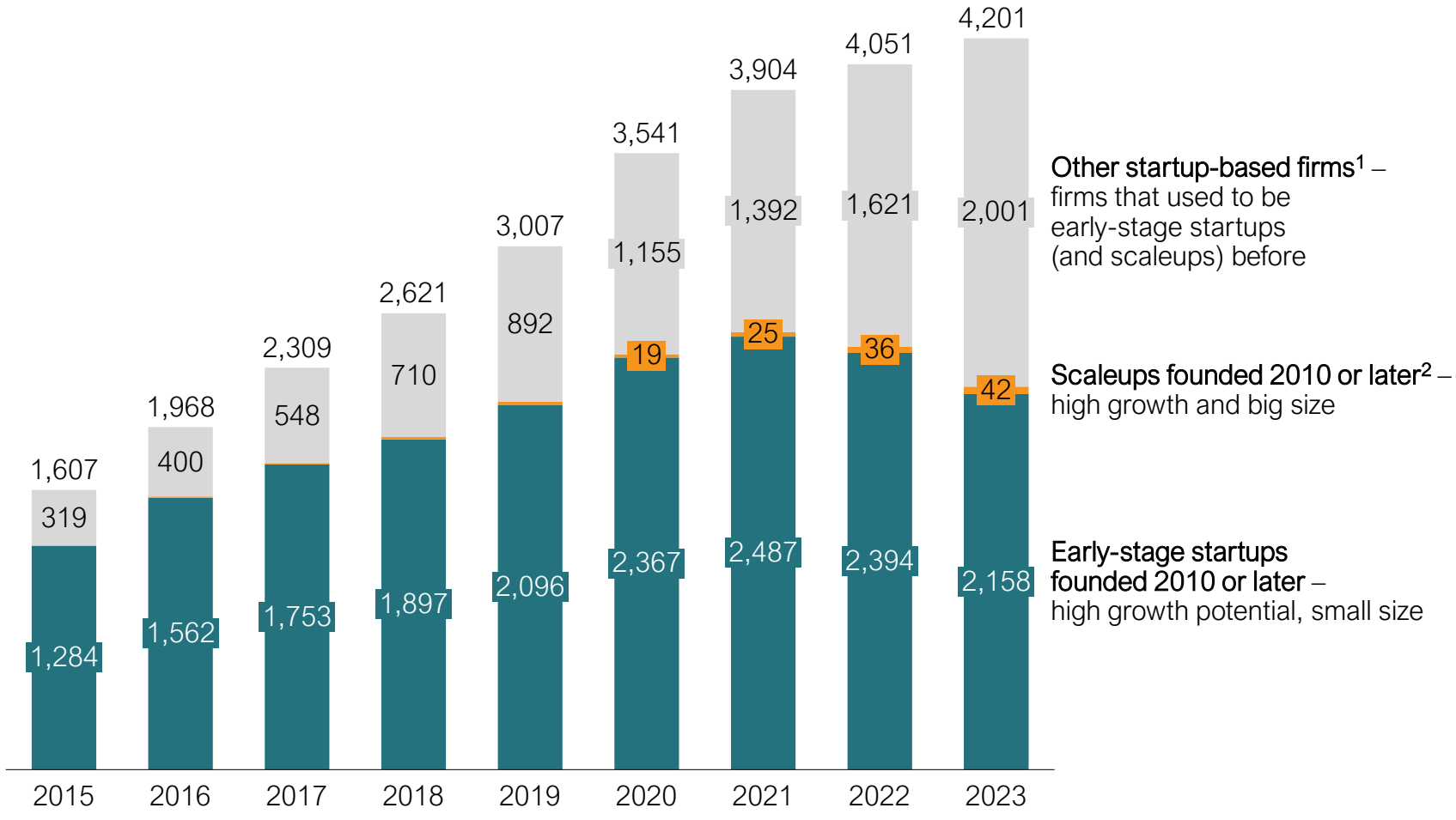


Startup-based firms consist of both current and former startups

Startup-based firms, 2015-2023

Number of firms

INDICATIVE



- We have identified in total over 4,000 Finnish startup-based companies. This number includes three types of firms: approx. 2,000 current early-stage startups, i.e. very young companies with high ambitions but a limited track record; tens of scaleups that already have reached significant revenues but are still growing at a high pace; and other startup-based firms that once had grand plans, and have since settled at either large or small scale.
- The number of startup-based firms is dynamic, as new startups are founded and both early-stage startups and former startups cease to exist. There are two key reasons for firms to cease to exist; shutting down the firm completely (e.g. due to bankruptcy) or due to being acquired by another firm.

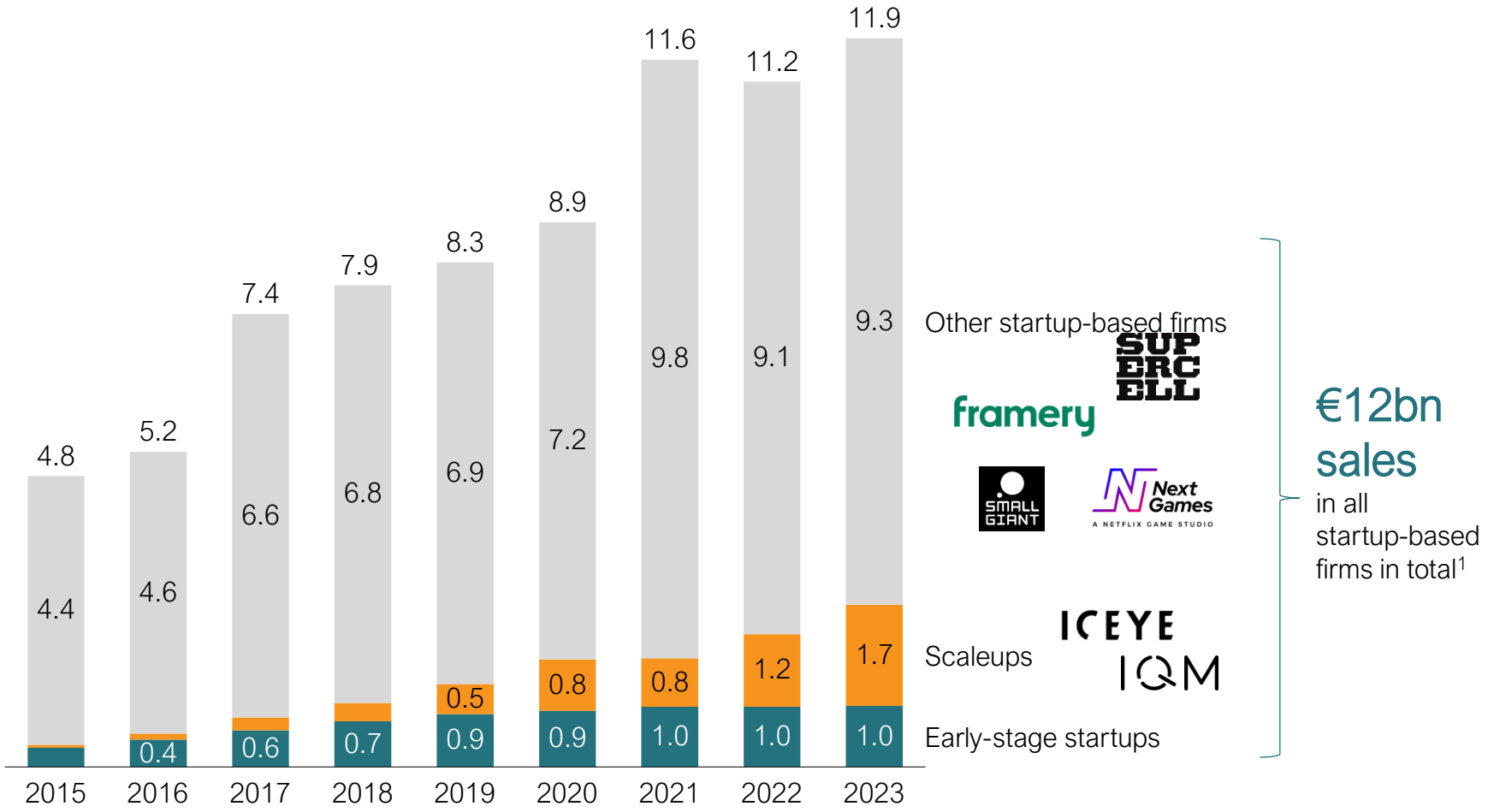
1) Including Settlers, Veterans, post-exit firms and FSC-identified firms incorporated prior to 2010. 2) The illustrated number of scaleups in in the 2010s should not be compared to the 2020s, as in-scope firms had less time to reach that category during the 2010s. Source: Team analysis based on Tesi's data model, Valuatum

Startup-based firms generate some €12bn of revenues in total

Startup-based firms' revenue impact, 2015-2023

INDICATIVE

Global sales, based on consolidated financial statements, €bn



€12bn sales in all startup-based firms in total[1]

- Startup-based firms generate approx. €12bn in annual revenues, although that figure is likely very conservative since it's not possible to track the sales development of all acquired firms, and most large startup-based firms (e.g. Supercell, Wolt) get acquired sooner or later.
- Early-stage startups' share of total sales is very small, because they are indeed in the early stages of their lifetime. The role of the early-stage startups is, however, pivotal. All startup-based giants such as Supercell and Wolt started from the bottom, but the revenue impact doesn't typically show until the firm has matured and growth has slowed down from exponential to linear.

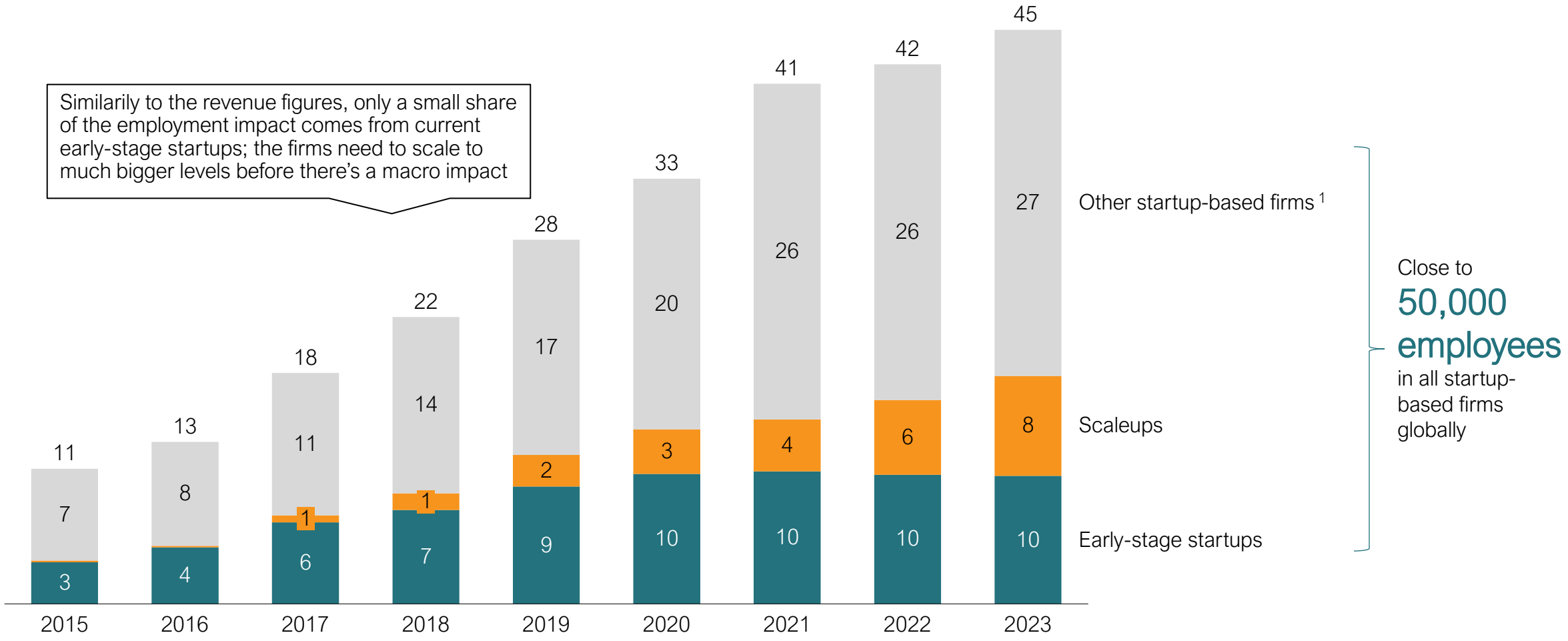
1) Including Settlers, Veterans, post-exit firms and FSC-identified firms incorporated prior to 2010.
Source: Team analysis based on Tesi's data model, Valuatum

Early-stage startups employ some 10,000 people, but once they grow, the employment impact is closer to 5x

Startup-based firms' employment impact, 2015-2023

INDICATIVE

Global employees based on consolidated financial statements in thousands



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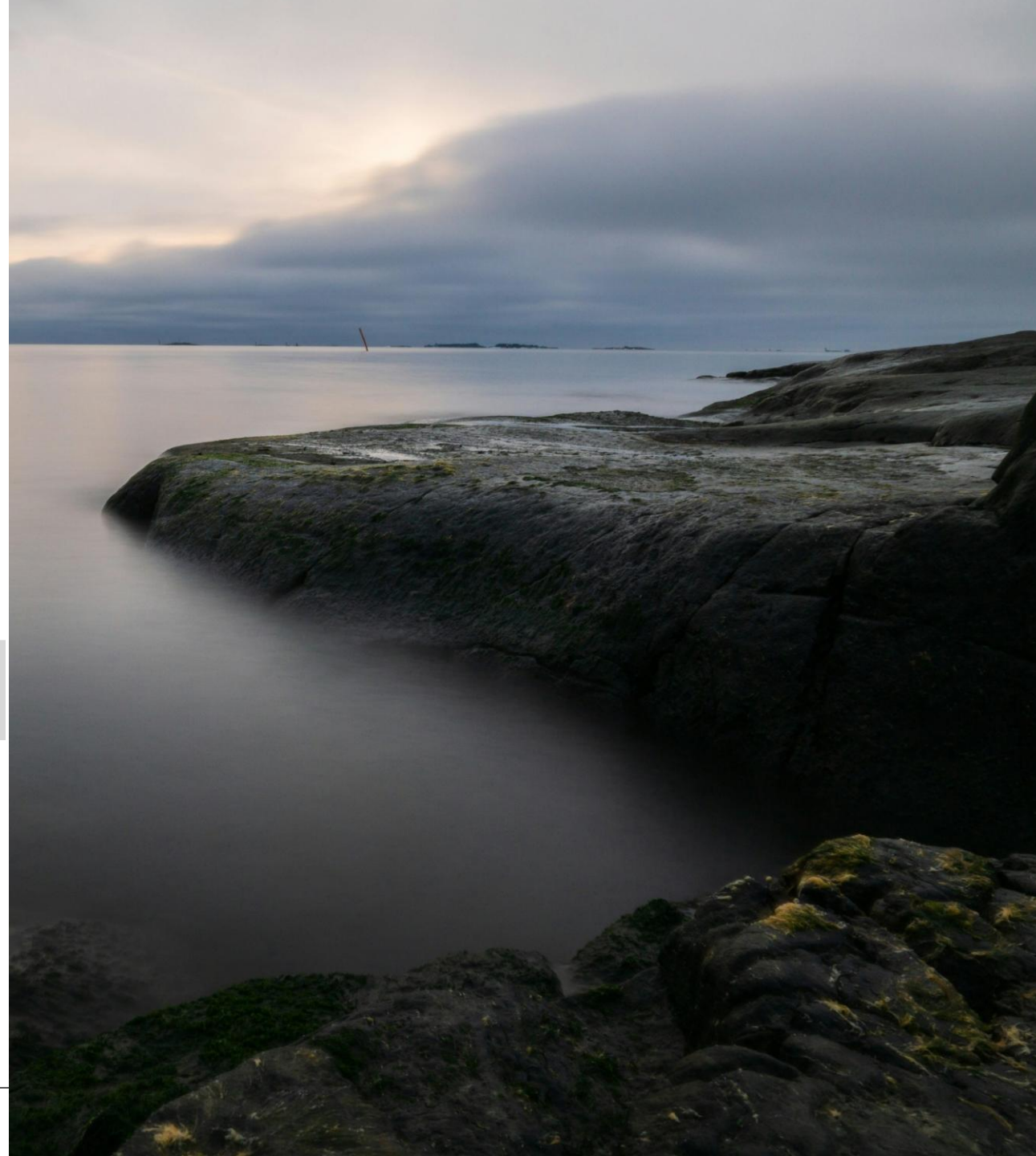
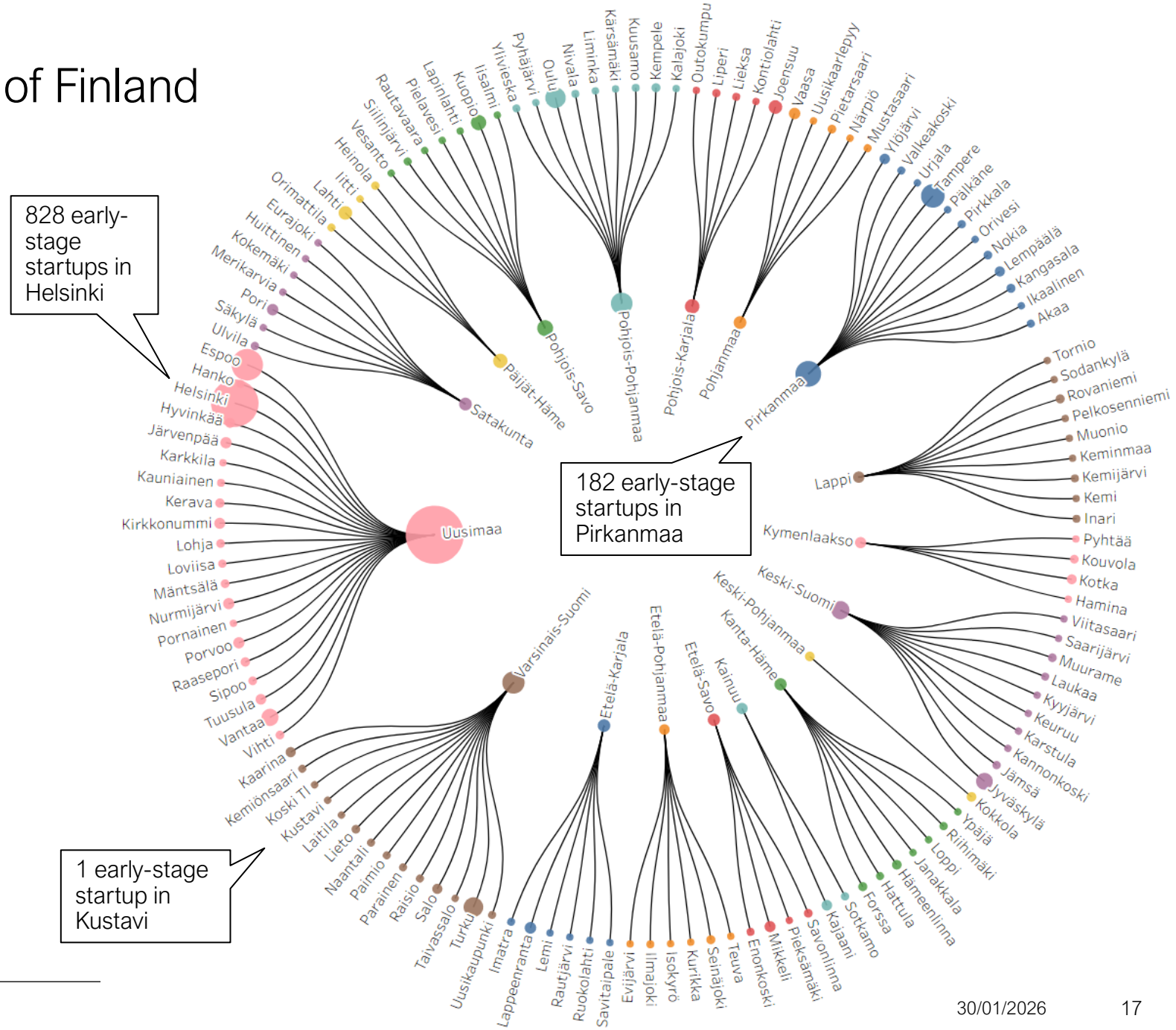


Helsinki is the startup factory of Finland

Early-stage startups by HQ location, 2023

- Total of 1,306 early-stage startups are located in Uusimaa region, which is approx. 60% of all early-stage startups in Finland.
- Pirkanmaa (182), Pohjois-Pohjanmaa (118), and Varsinais-Suomi (126) are the other regions with most early-stage startup HQs.
- On a city-level Helsinki is the startup factory of Finland, with 828 HQs located in the city. The second largest concentration is in Espoo (309).
- Tampere (144), Oulu (102) and Turku (90) complete the top 5 early-stage startup cities in Finland.
- University cities have more early-stage startups than other cities with the same population.

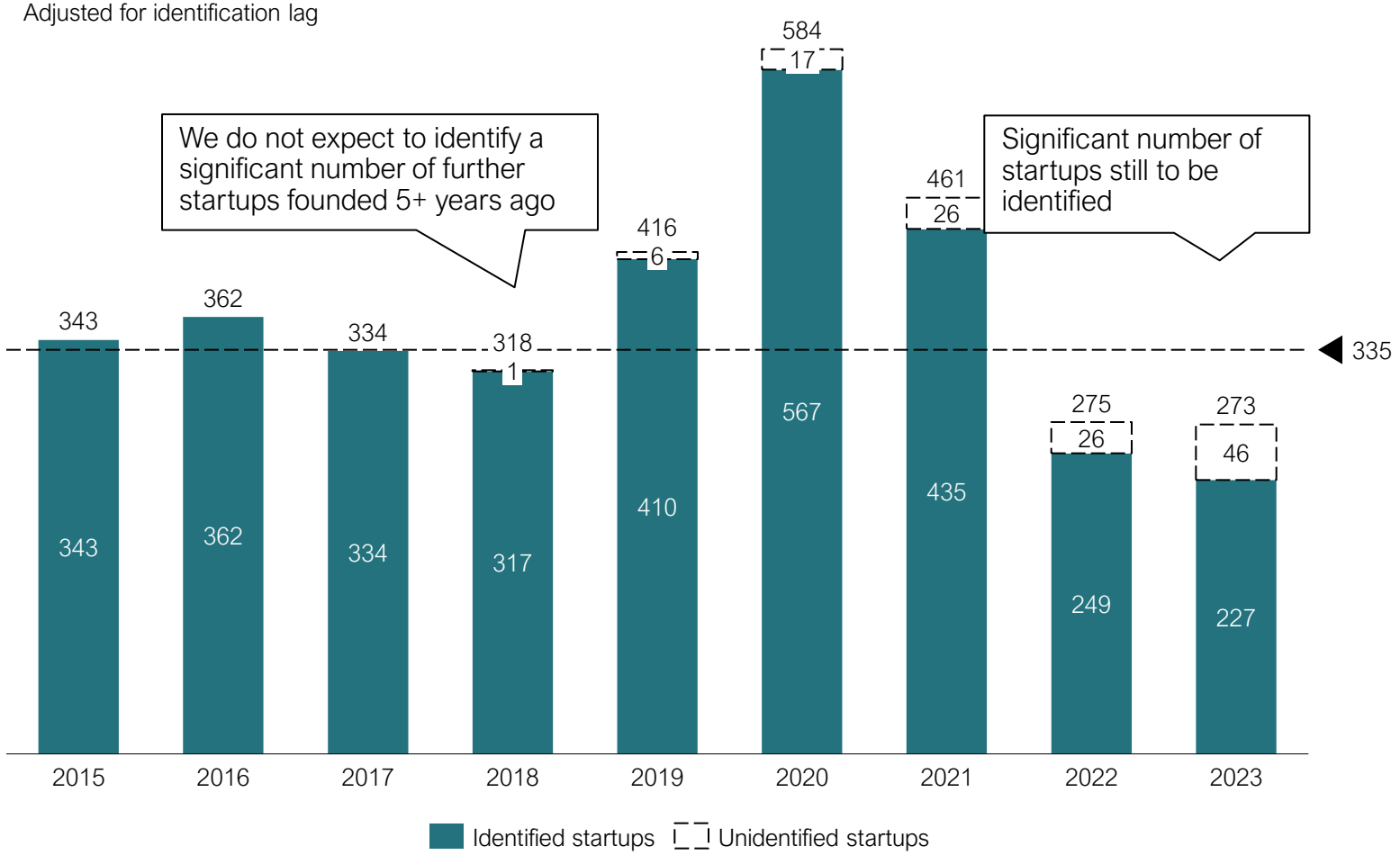


Source: Team analysis based on Tesi's data model

The number of Finnish startups founded peaked in 2020, consistent with European data

Number of founded startups

Adjusted for identification lag



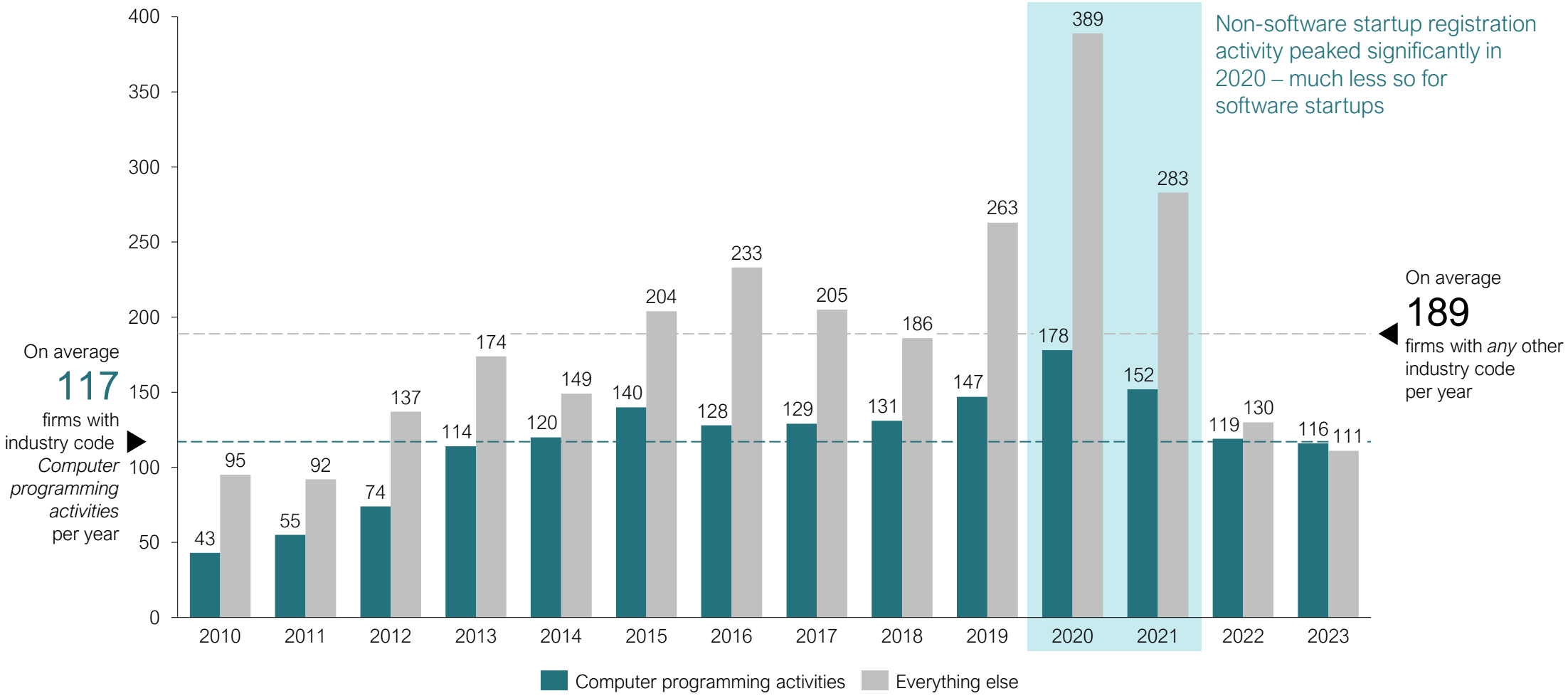
- The peak year for founding startups was 2020, when 584 companies were founded. This is well above the 9-year average of 335 new startups per year.
- After two record years in 2020 and 2021, the number of new startups founded sank significantly, with only approx. 270 startups being founded annually.
- The increase in founded startups during the COVID-19 years may have been driven by both necessity (job losses) and opportunity (digital adoption, remote work, e-commerce etc.).
- There are no clear reasons for the decrease in the last years – as evident on the following pages' analyses. Since 2020 startup-based companies have increased their workforce by more than 12,000 people. Some potential founders may have opted for a job in an already-established startup instead.
- Given that we typically identify startups after they've been established, we expect there to still be some unidentified startups founded in recent years.

Source: Team analysis based on Tesi's data model

Close to half of startups are software firms; 2020 peak in registration activity explained by a wide variety of non-software firms

New startups by TOL5 industry and vintage

Count of unique companies by registration year

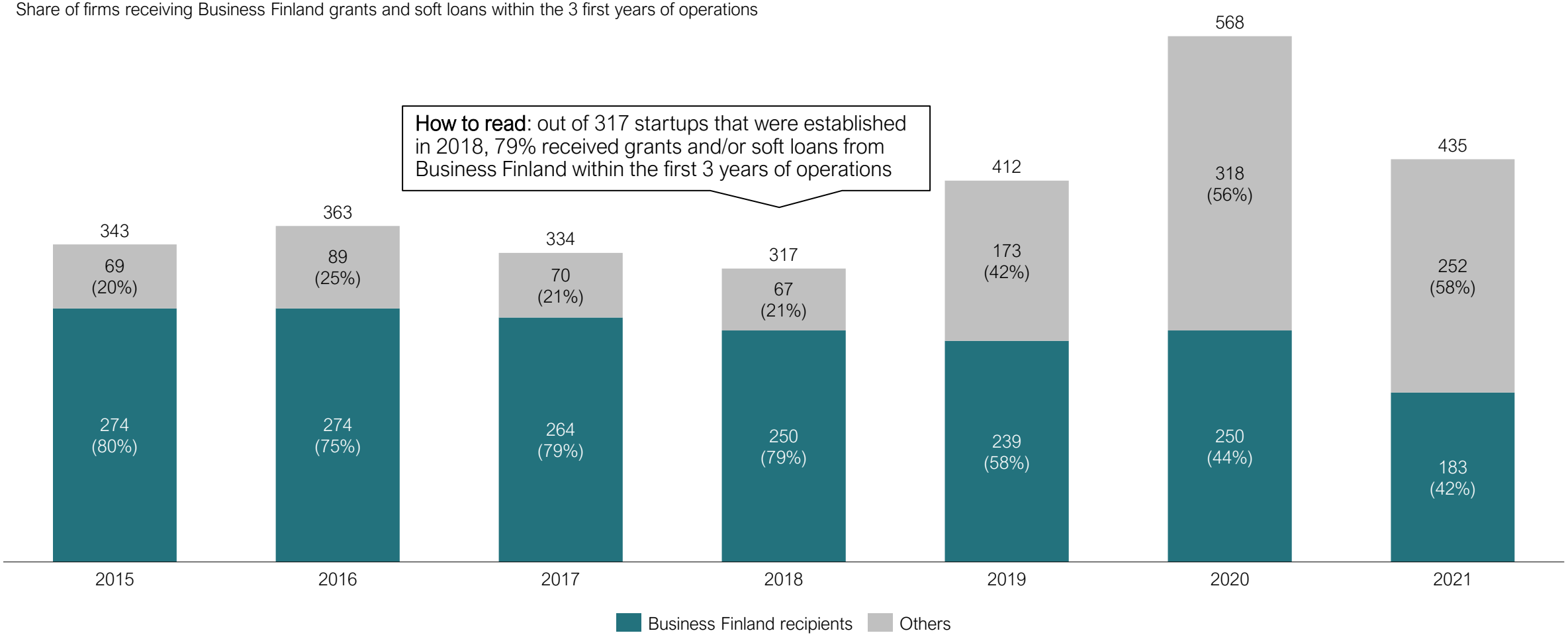


Source: Team analysis based on Tesi's data model

The number of early-stage startups receiving Business Finland funding is in decline, both absolutely and proportionally

Early-stage startups by vintage and funding by Business Finland

Share of firms receiving Business Finland grants and soft loans within the 3 first years of operations

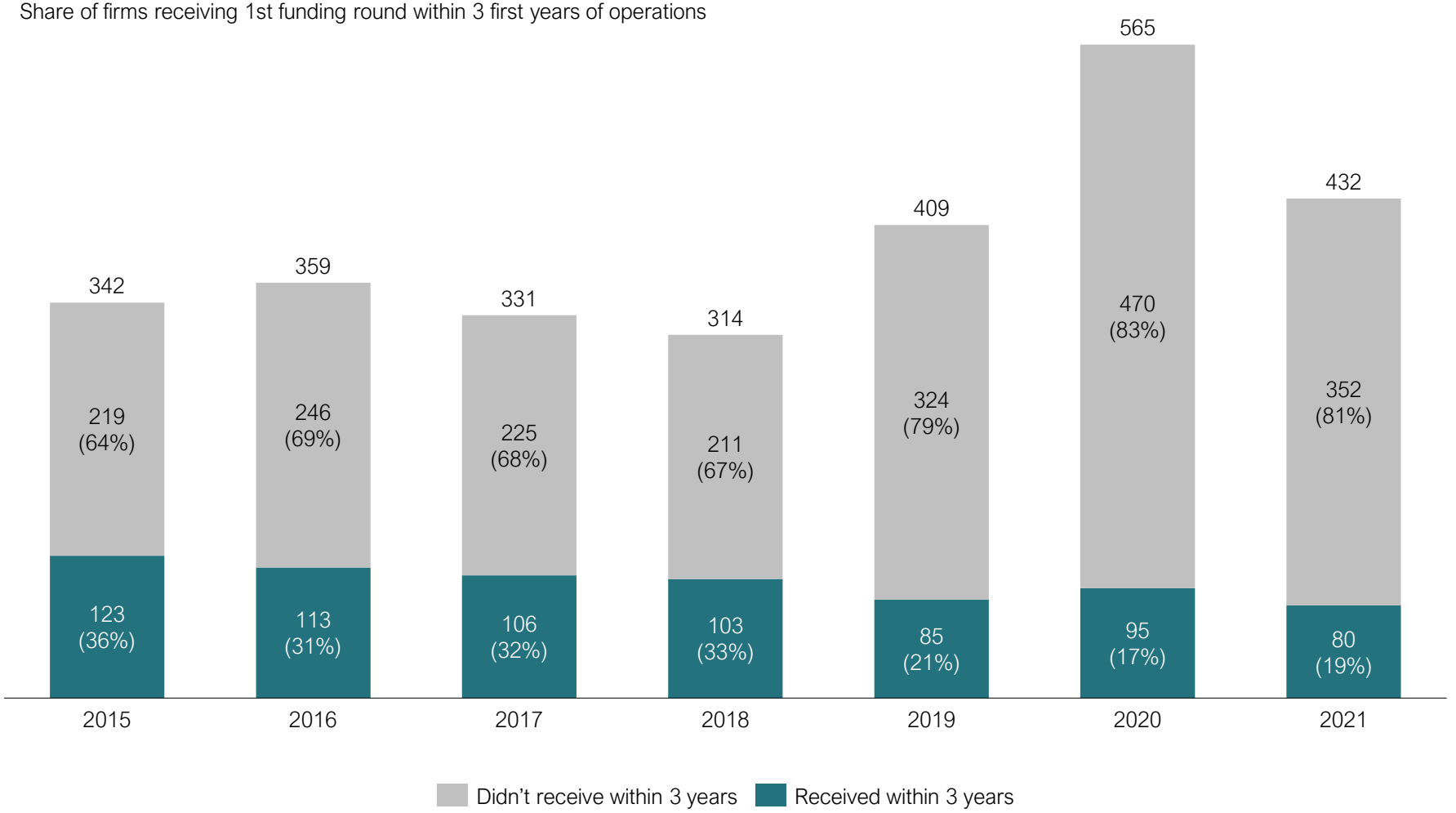


Note: Only ~half of the grants and soft loans have been received during the first 3 years, but for comparability the binary calculation was done with a 3yr threshold.
Source: Team analysis based on Tesi's data model

The share of firms receiving early-stage equity funding also declined during peak years

Early-stage startups by vintage and equity funding rounds

Share of firms receiving 1st funding round within 3 first years of operations



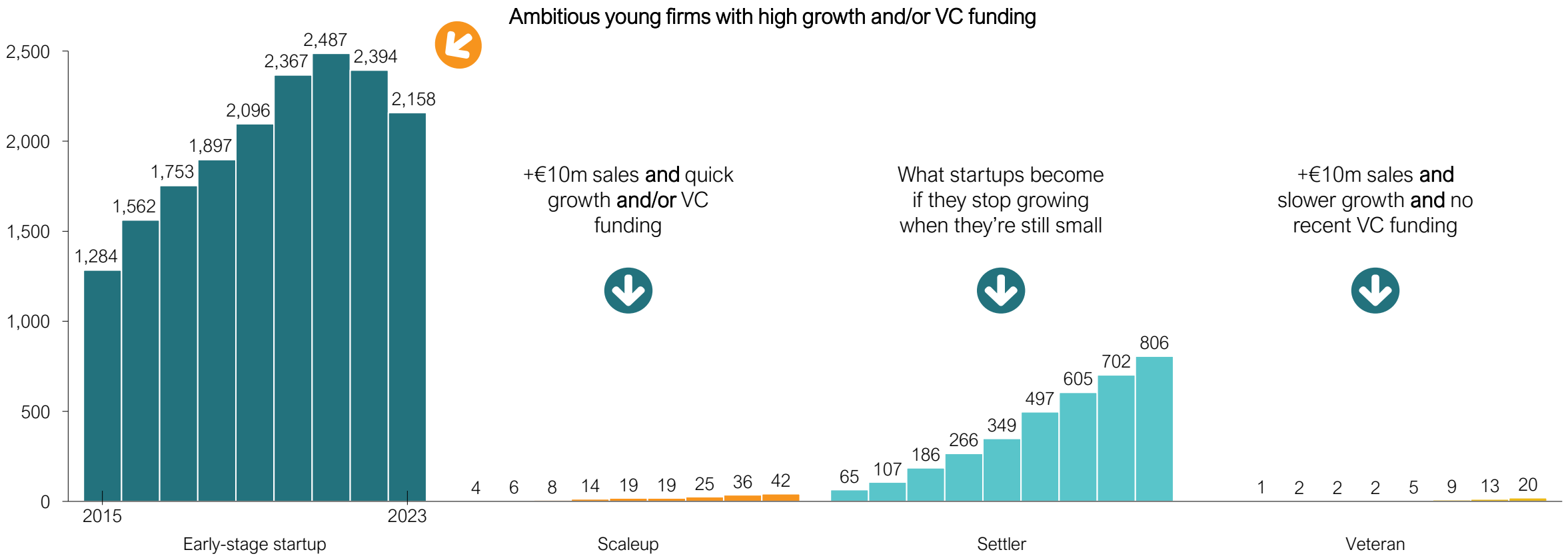
- The share of firms receiving first funding round within 3 first years of operations has been in decline since 2015.
- In 2015, 123 startups (36 % of all startups founded on that year) received first funding round within 3 first years of operations. In 2021, this number was 80 startups (19 %).
- When looking at other statistics on startup investments, FVCA shows a significant increase in venture capital investments in early-stage companies peaking in 2023, whereas the number of reported transactions for Finnish business angels peaked in 2021 and have decreased drastically since then according to FiBAN.

Source: Team analysis based on Tesi's data model

There are a few thousand early-stage startups in Finland, and hundreds of former other startup-based firms still in independent ownership

Number of independent and active firms by category

2015-2023

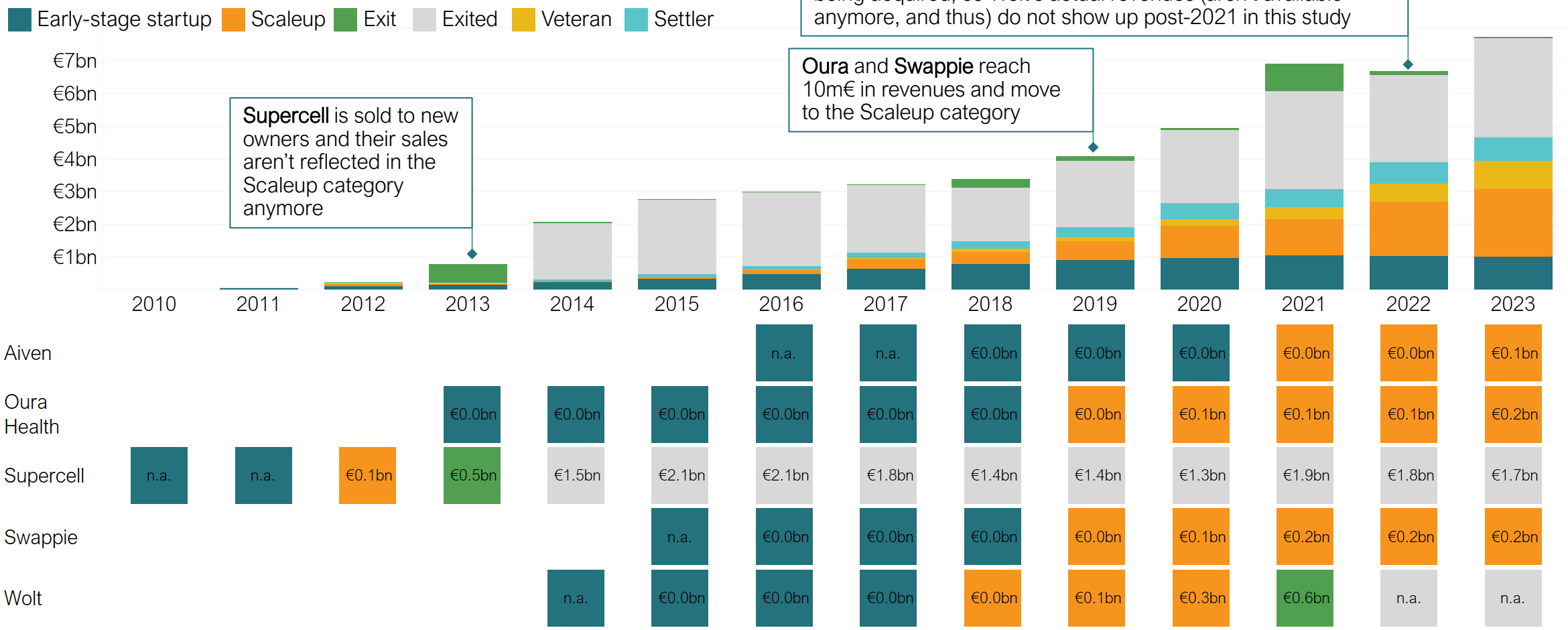


Note: As we typically identify startups only after they've been incorporated, it's likely that the true number of early-stage startups is somewhat higher in recent years.
Source: Team analysis based on Tesi's data model

Categories are dynamic and reflect certain types of companies, rather than specific companies over the years

Sales development per category and selected categorization examples

€bn, categorization examples not to scale



Note: The category Exit refers to the exit transaction happening in that specific year, whereas Exited means that the exit has happened in an earlier year.
Source: Team analysis based on Tesi's data model

Early-stage startups generate roughly a billion of annual revenues – bigger revenue impact comes at later stages of the firm lifetime

Total sales by category and year

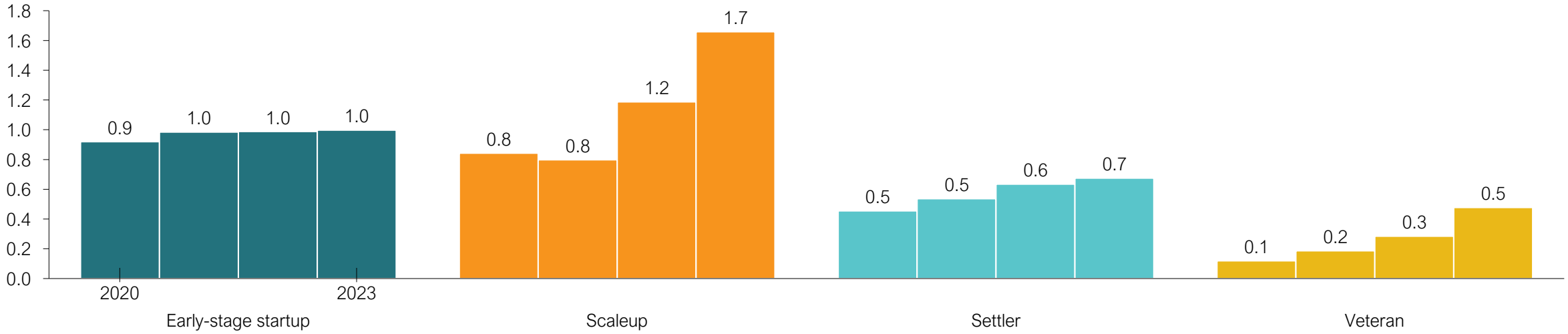
€bn

These categories do not include exited firms – the total revenue impact of all startups is depicted on p. 14

Stable totals reflecting stability in new startup generation + the early stage typically only lasting a few years

A few big scaleups change the totals dramatically

These categories are the end points (until the firm is acquired); slow M&A market possible contributor as more and more firms remain independent

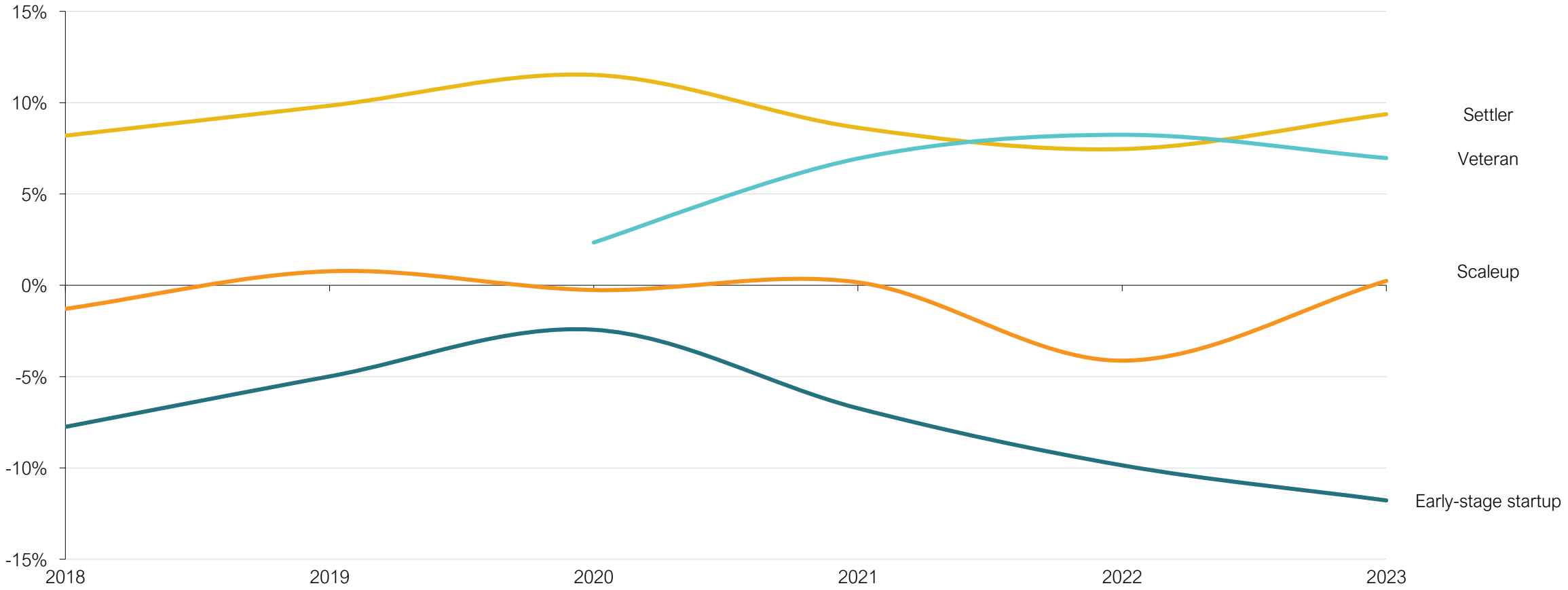


Source: Team analysis based on Tesi's data model

Early-stage startups typically focus on growth and become profitable only when they reach scaleup status, or settle with lower growth

Profitability by category and year

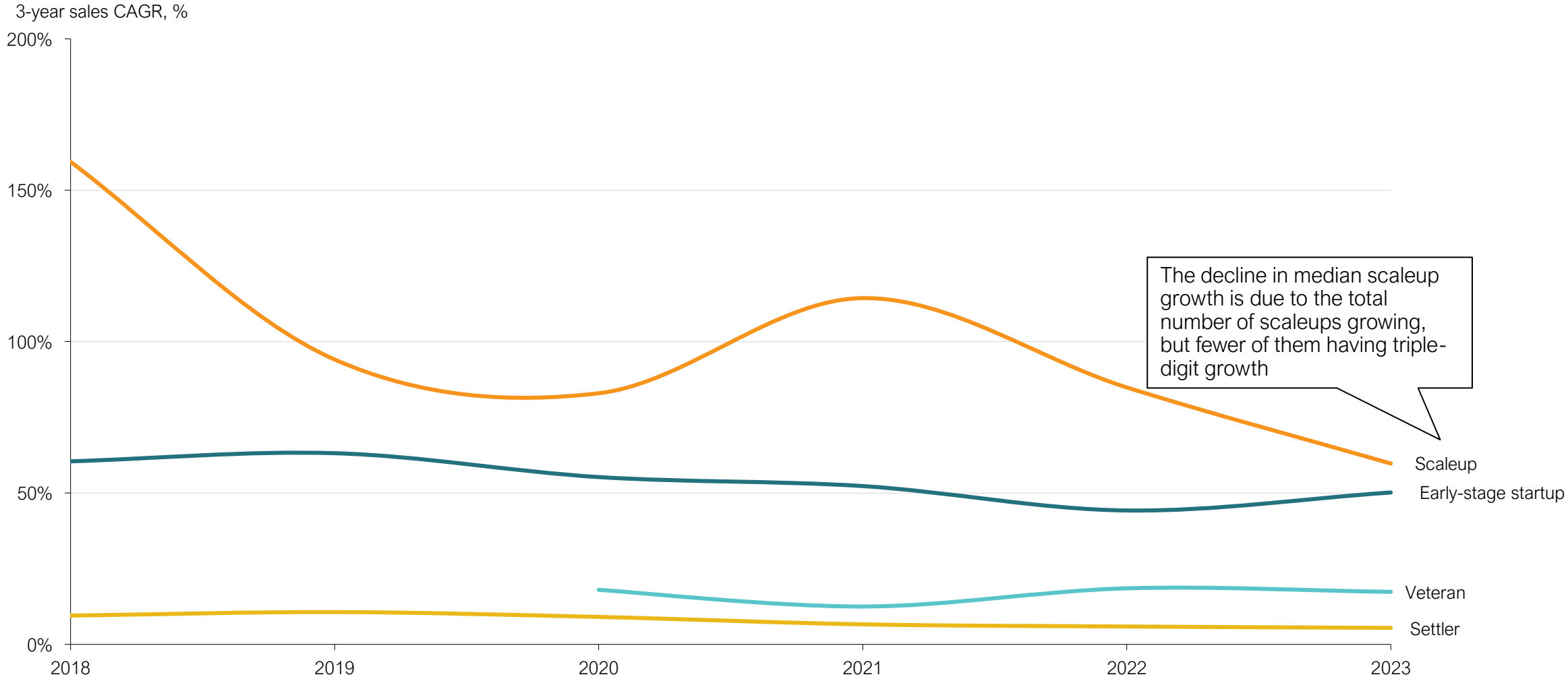
Median EBITDA/sales



Note: Only years and categories with at least 5 observations.
Source: Team analysis based on Tesi's data model

Scaleups aren't growing as they used to grow

Median sales CAGR by category and year

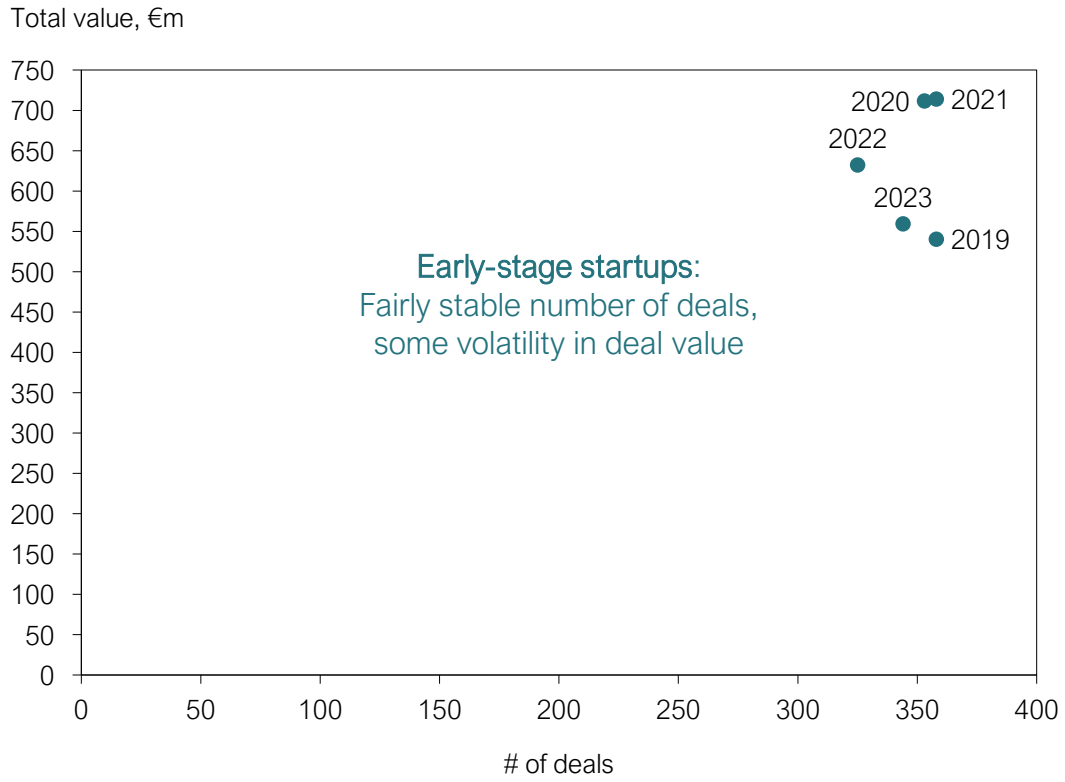


Note: Only years and categories with at least 5 observations.
Source: Team analysis based on Tesi's data model

Funding is driven by the large rounds, with the number of annual scaleup rounds being small and very volatile

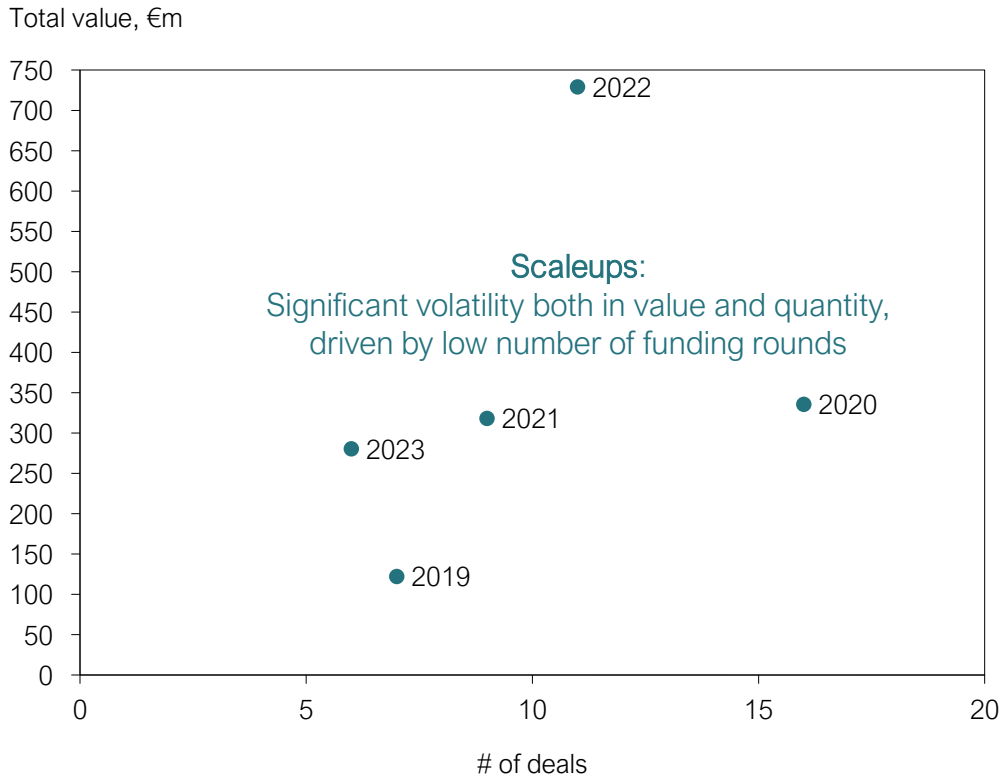
Early-stage startup funding by year

€m, # of rounds



Scaleup funding by year

€m, # of rounds



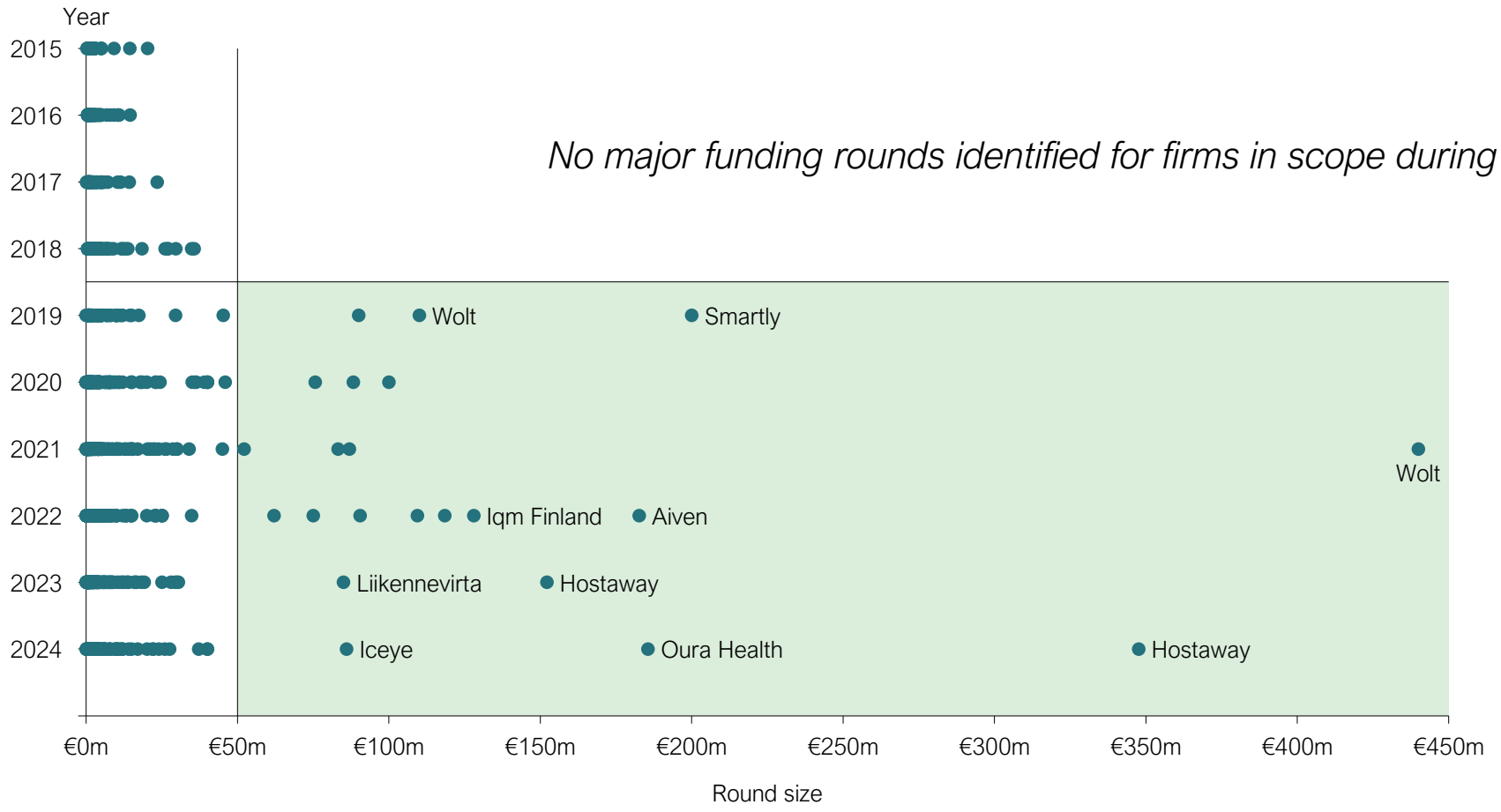
Less than 20 scaleup deals per year can bring as much funding as hundreds of early-stage deals, driving significant volatility in the overall funding market

Source: Team analysis based on Tesi's data model

2022 was a peak year in large funding rounds

Funding rounds by company and year

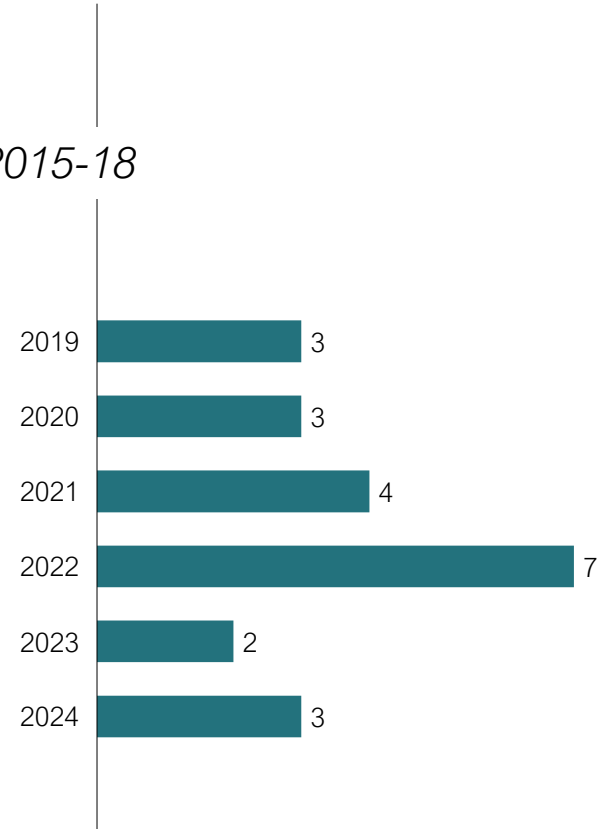
Round size in €m



No major funding rounds identified for firms in scope during 2015-18

Major rounds by year

Count of deals with >€50m value

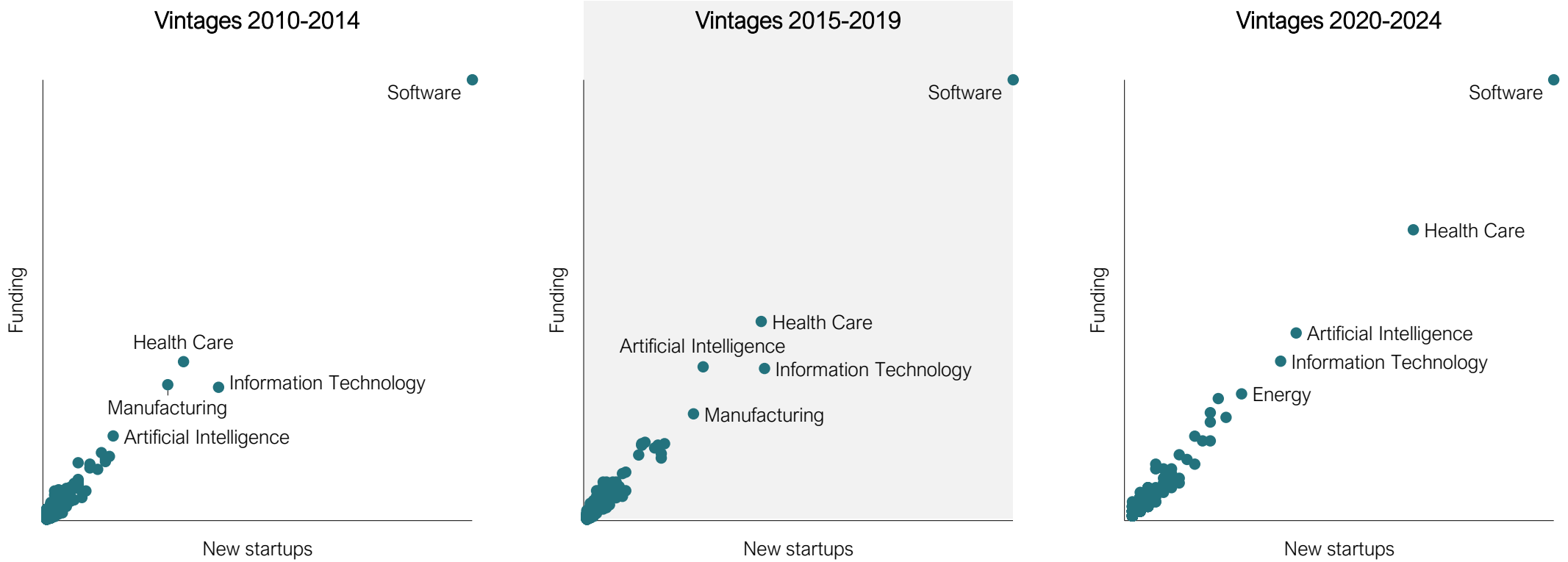


Note: Only firms founded 2010 or later
Source: Team analysis based on Tesi's data model

The Finnish startup landscape has remained largely similar throughout the last 15 years, although the role of AI, healthcare and energy seems to be growing

Prominent startup verticals

Share of funding; Share of incorporated firms

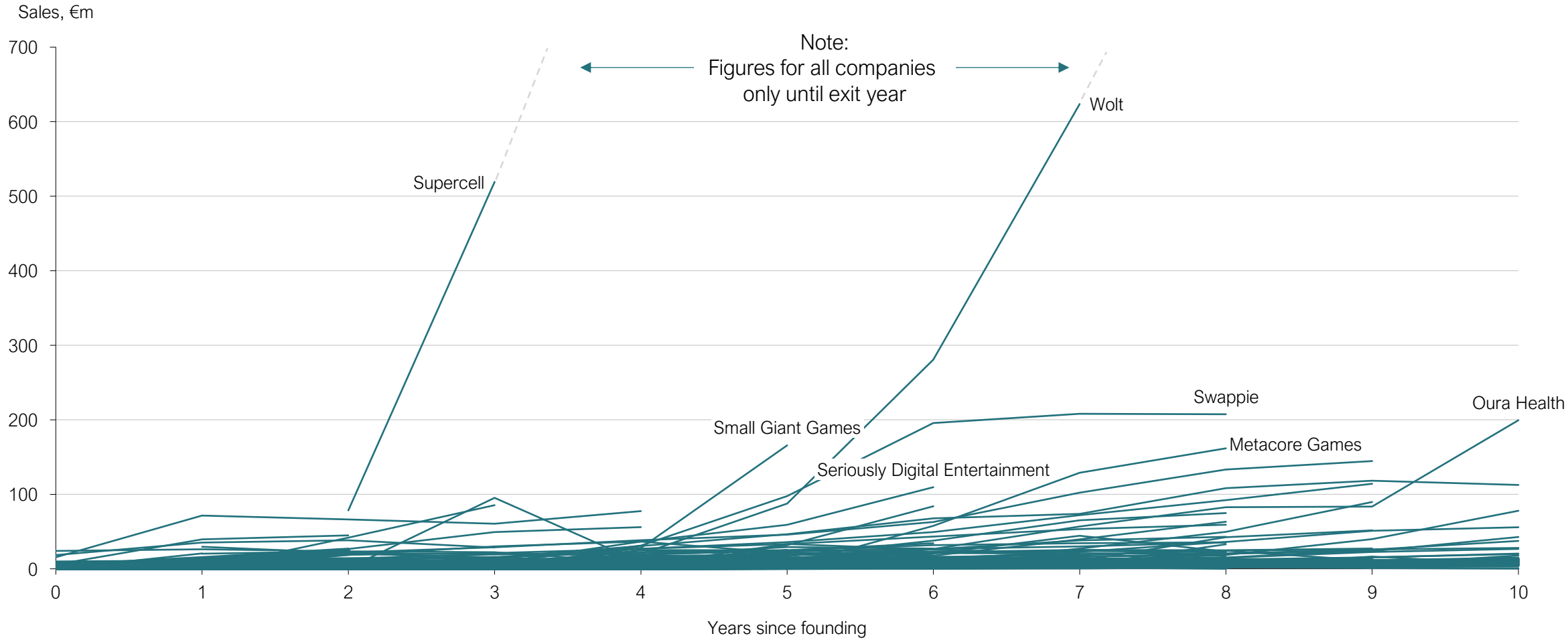


Source: Team analysis based on Tesi's data model

The quickest growers have generated hundreds of millions in sales a few years after founding

Sales development since founding

Years 0-10 until exit year (or latest available)



Source: Team analysis based on Tesi's data model
Note: Chart includes full sales for exit year, but no subsequent years due to comparability issues.

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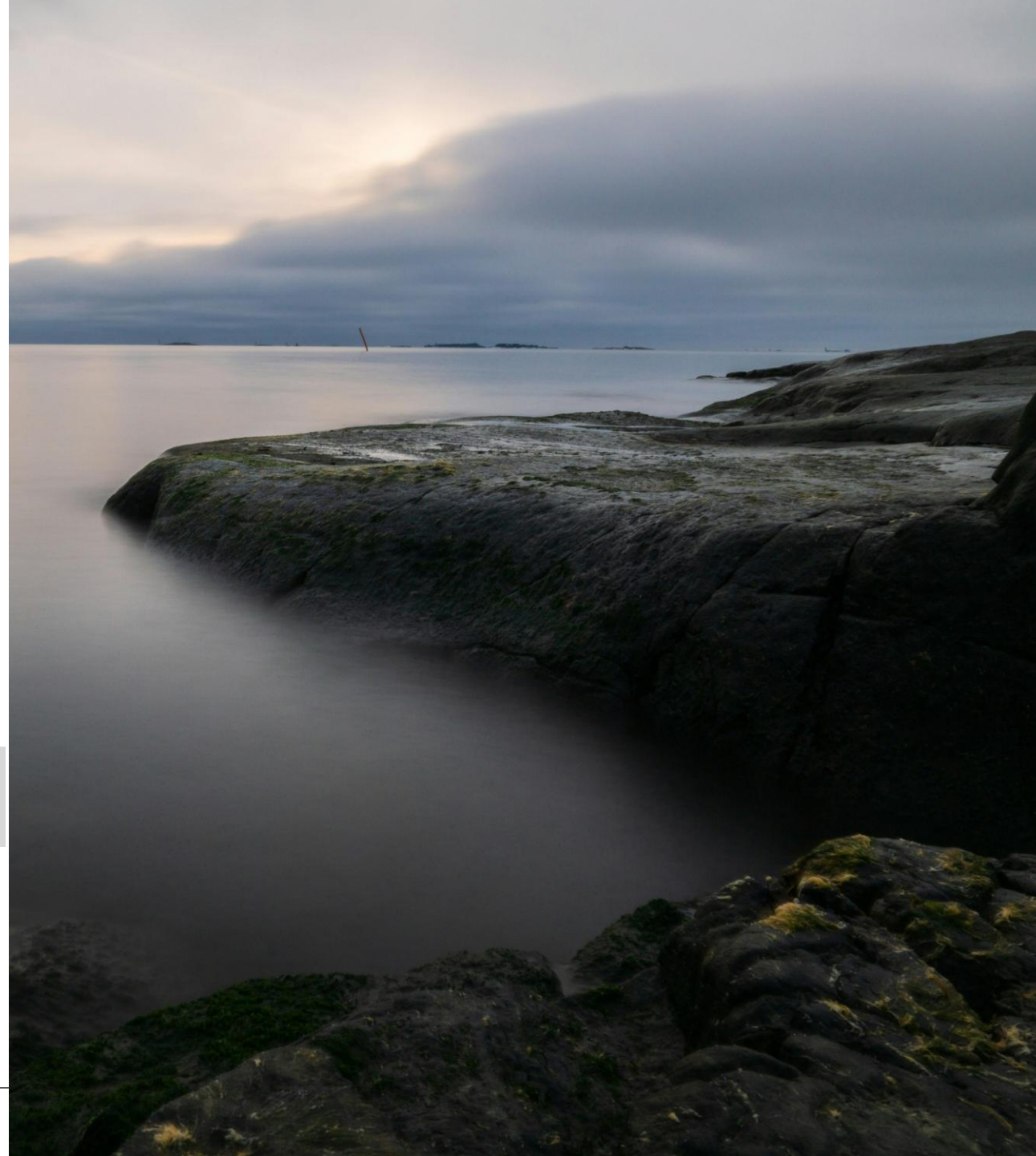
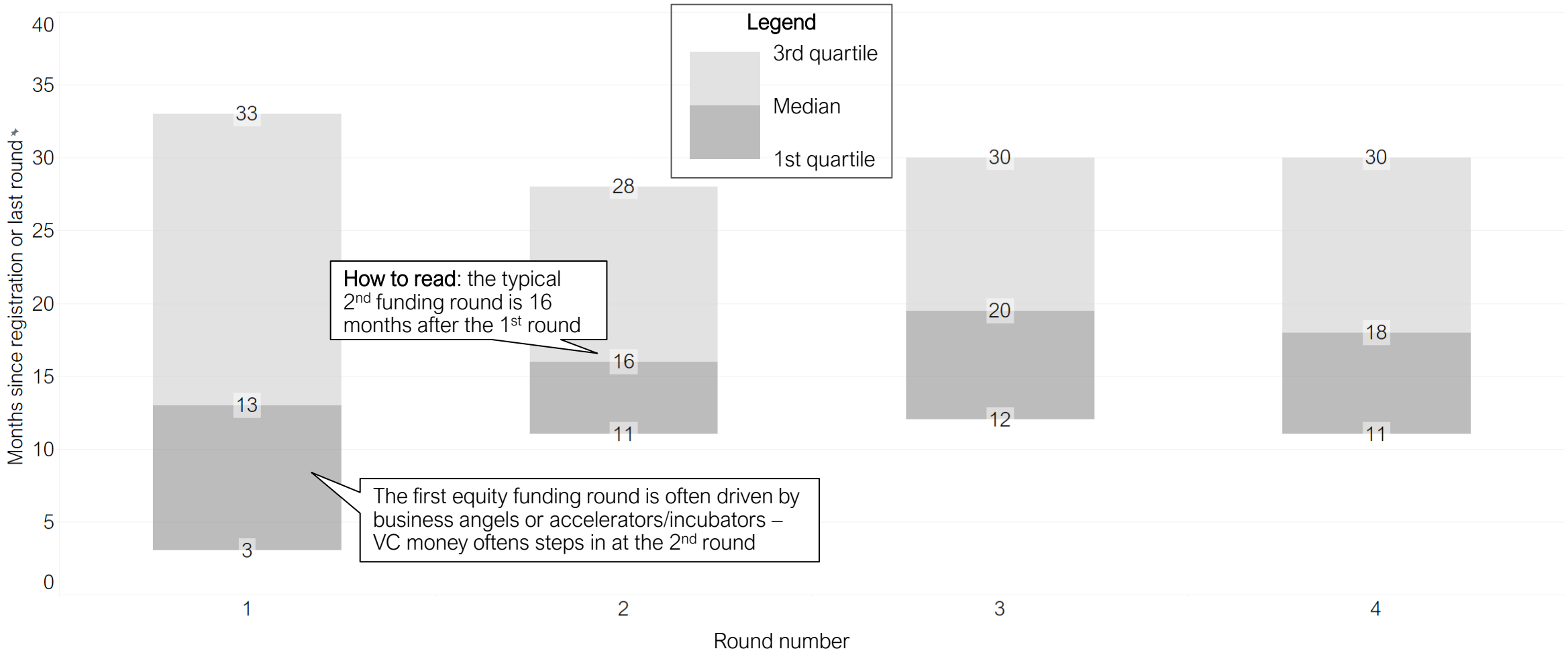


The typical fundraising startup has its first equity funding round approximately a year after founding – later rounds typically need around 1.5-2 years

Graduation time

Median months since company registration or last equity funding round

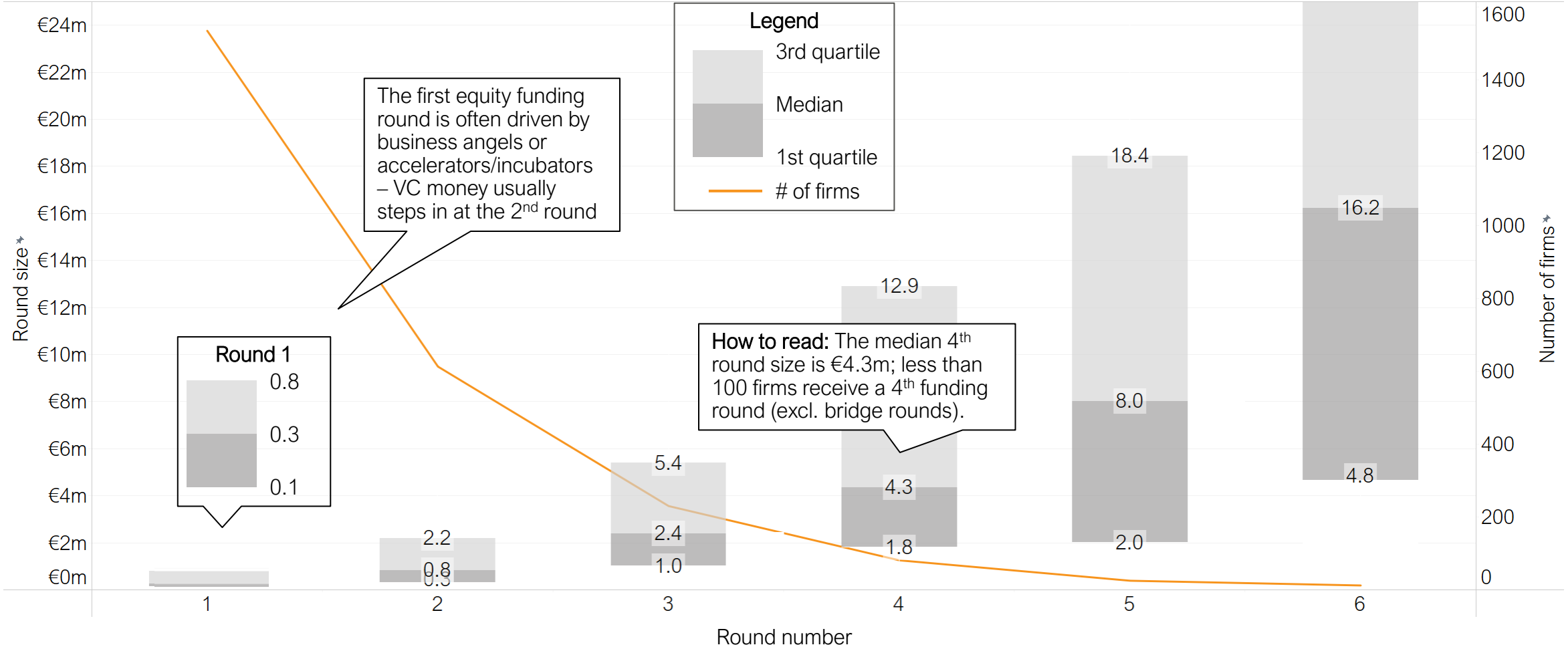


Source: Team analysis based on Tesi's data model
Note: nth funding round defined as equity funding round with later date and higher fundraise than previous rounds.

First equity funding rounds are rarely above a million euros, tens of millions uncommon prior to 6th round

Round size

Funds raised by round number, €m

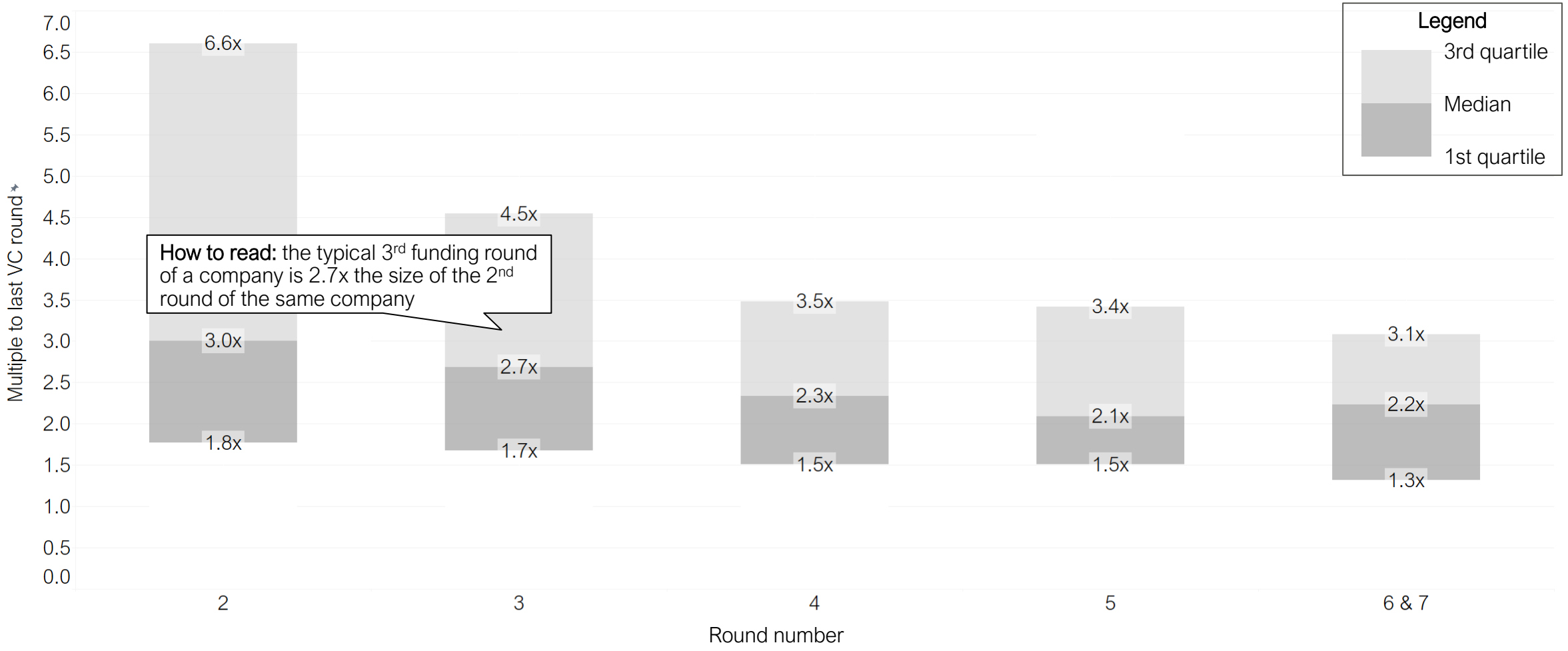


Source: Team analysis based on Tesi's data model
Note: nth funding round defined as equity funding round with later date and higher fundraise than previous rounds.

The amount of funding typically increases 2-3-fold between rounds

Round size multiples

Funds raised compared to previous round

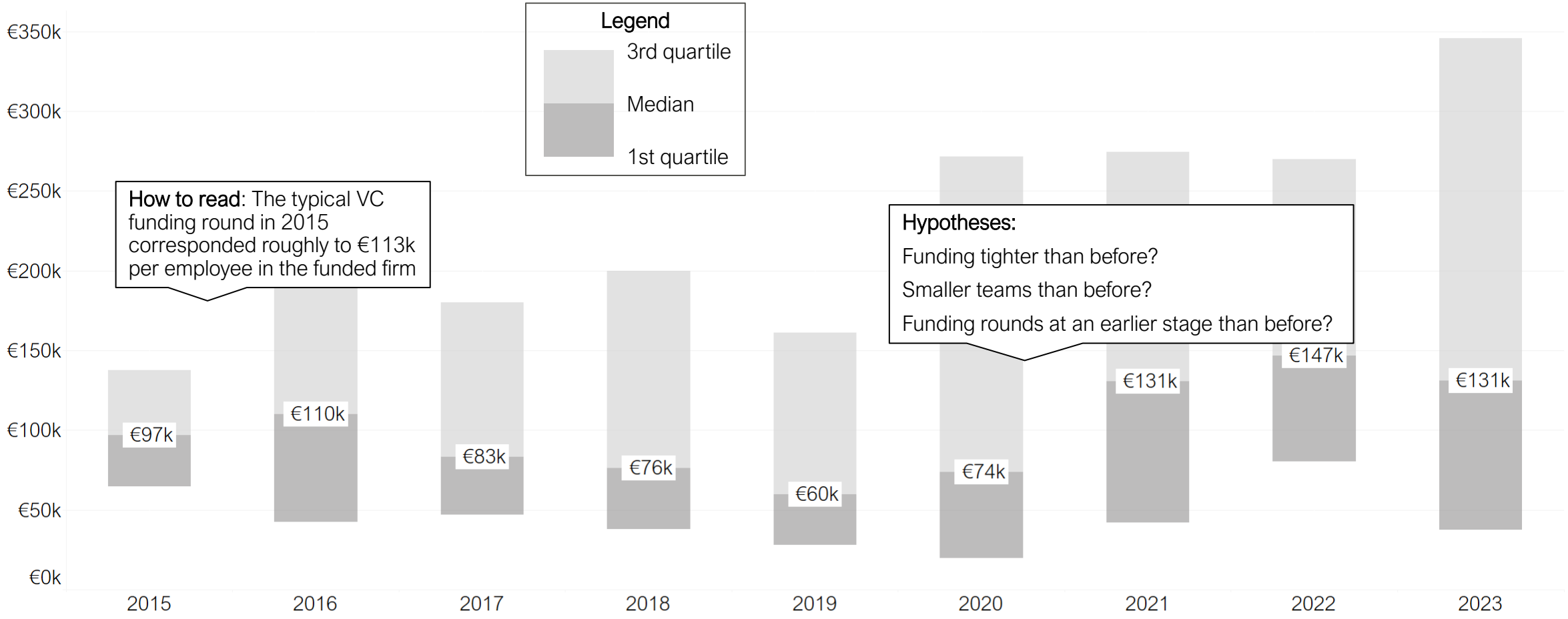


Source: Team analysis based on Tesi's data model
Note: nth funding round defined as equity funding round with later date and higher fundraise than previous rounds. 1st round = 1x

Early-stage startup investments are increasingly being spent on less people

Equity funding per employee

Median of early-stage startups with equity funding round in a given year

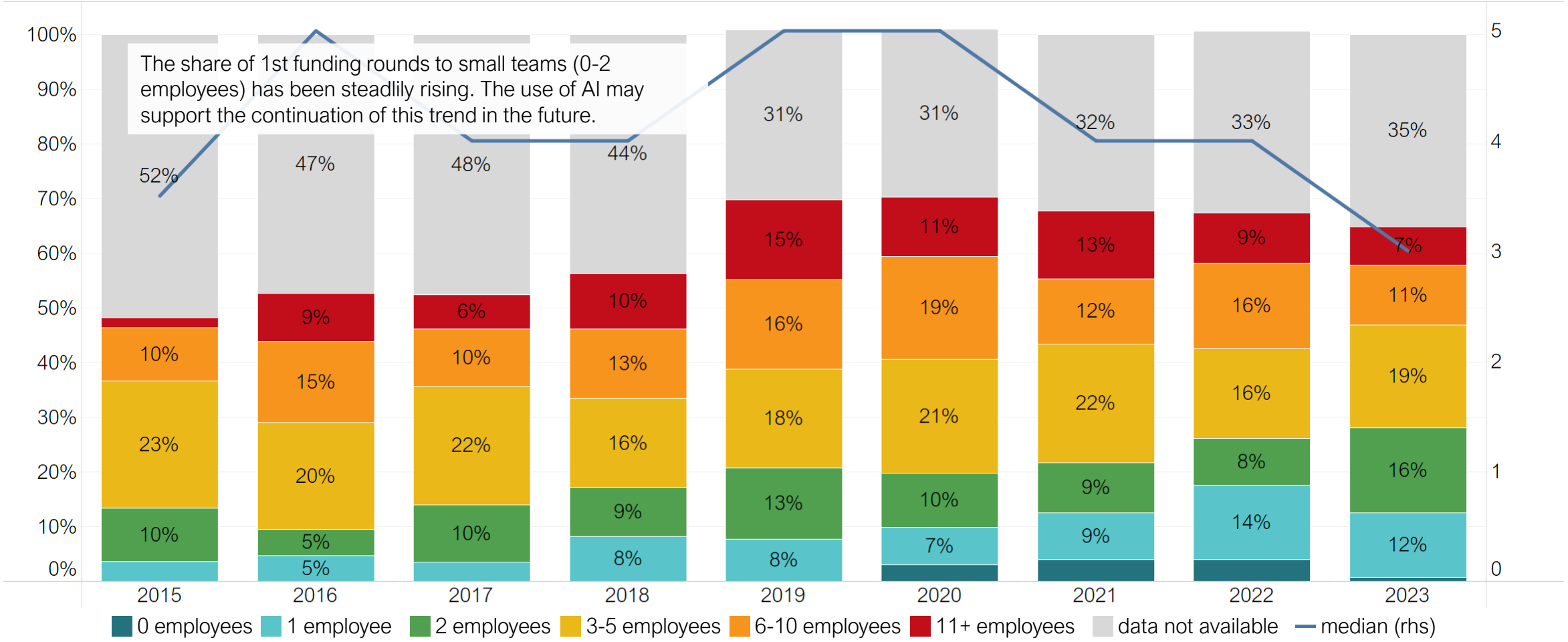


Note: Calculated by summarizing total value of rounds for a given company in a given year + dividing by the reported employee count; shown values are medians and quartiles of the analyzed startups that year. Excl. rounds with no known size and firms with less than 5 employees. Source: Team analysis based on Tesi's data model

The typical startup completing their first funding round only has a few employees

1st equity funding round by employee count

Share of companies per employee count group (lhs); median count of employees (rhs)

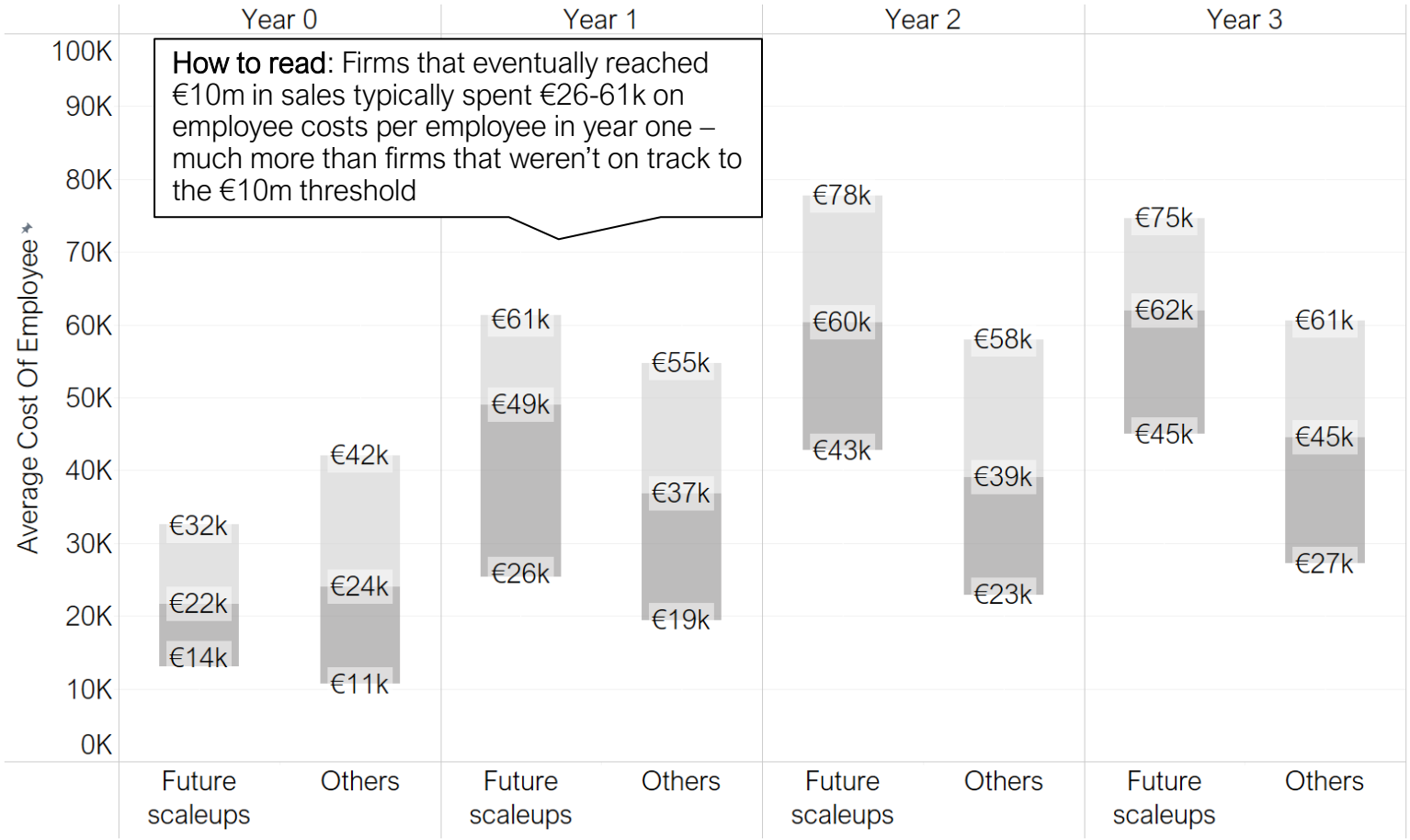


Note: Given that funding may be received very early in the financial reporting period, the numbers inherently also include some employees hired after the funding round
Source: Team analysis based on Tesi's data model

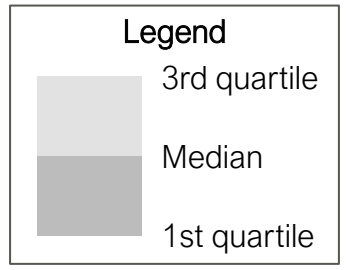
Future scaleups spend much more on the average employee since day one

Median cost of employee since founding

Future scaleups vs. other early-stage startups



- Interestingly, future scaleups have a higher average employee spend already in one year after founding, and the difference to others grows in year 2.
- There can be many reasons for this difference in employee spend:
  - Higher average pay should correlate with more knowledgeable or experienced employees, which leads to better ideas and execution.
  - On the other hand, founding team with a better business idea may have been able to raise more capital, which they then spent on costlier employees.
- In general, these two forces together create a virtuous cycle leading to more positive outcome.



Source: Team analysis based on Tesi's data model
Note: Only firms incorporated between 2010-2020 with at least 5 employees in a given year

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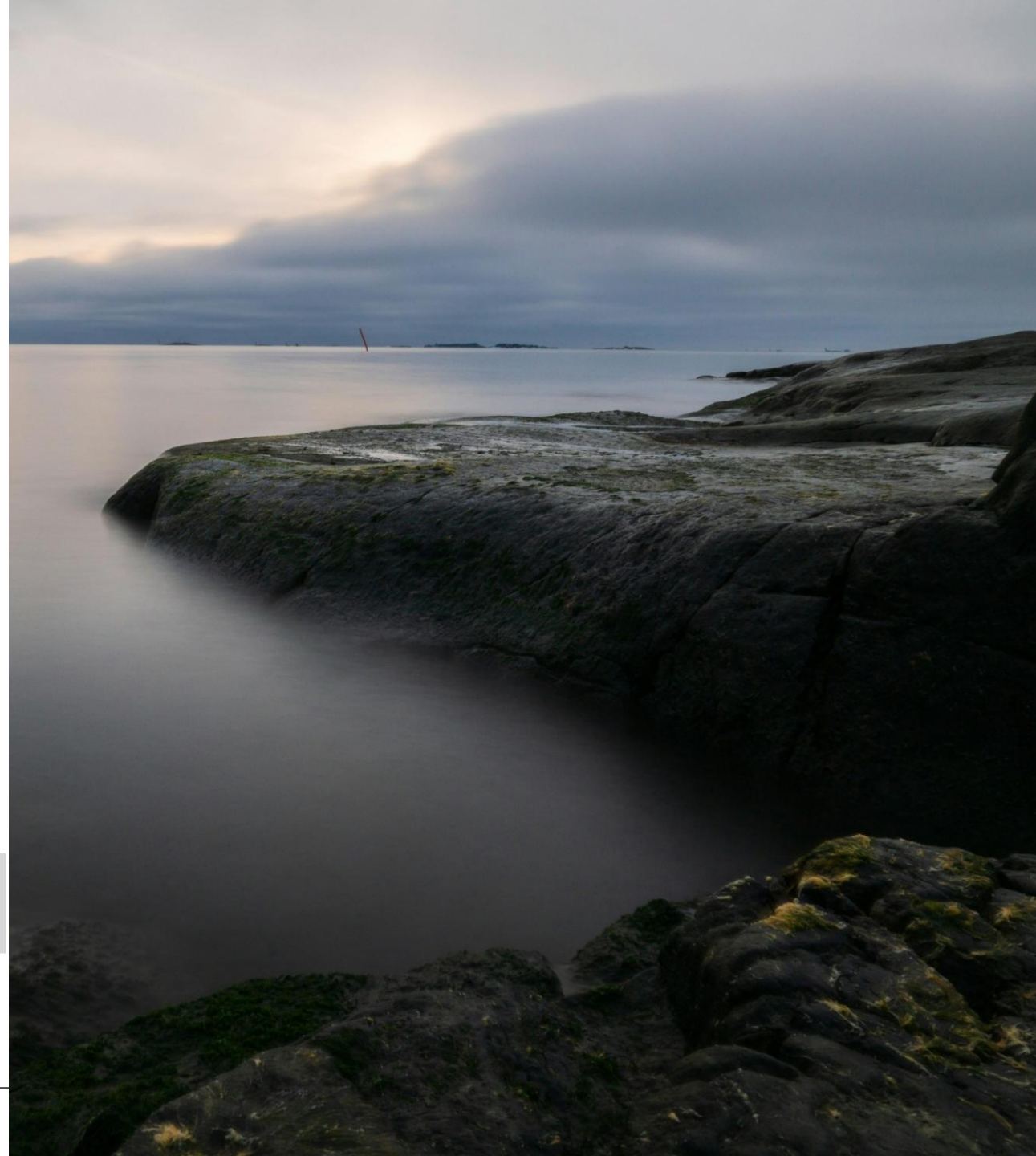
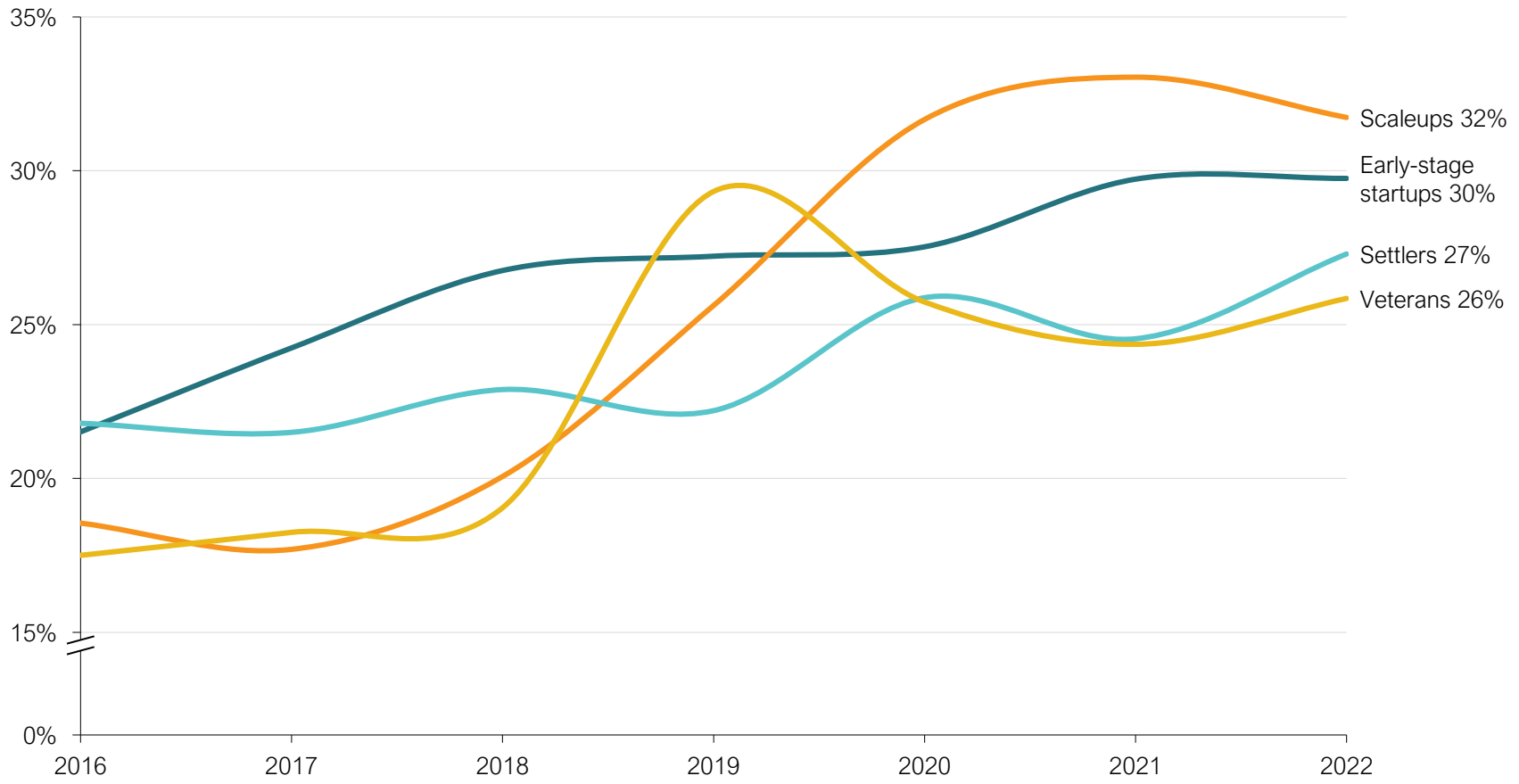


The share of female employees is increasing across the startup scene – scaleups have the largest share of females

Share of females by category and year

% of total employees in Finland



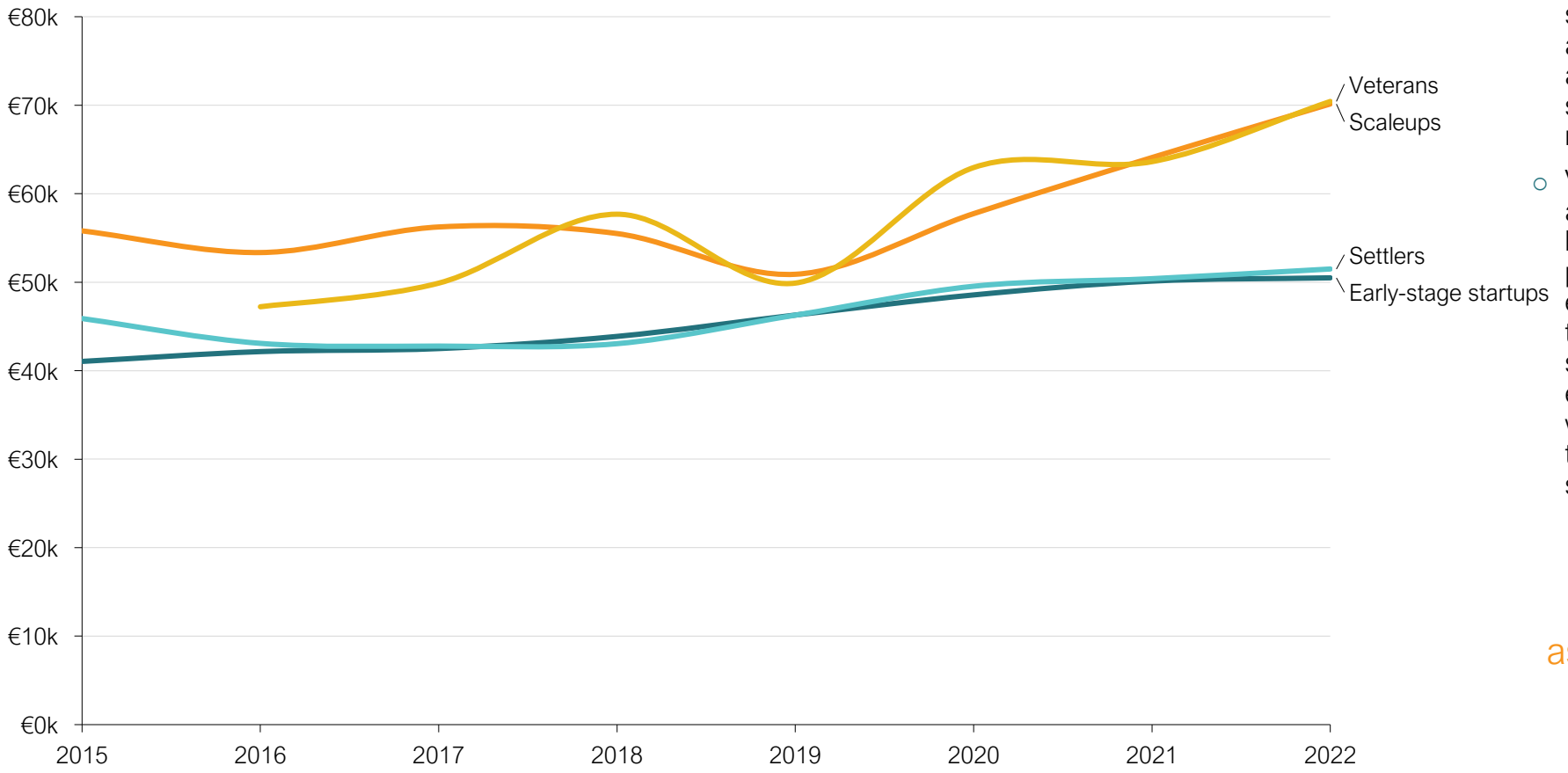
- The startup sector has traditionally been male-dominated, but the share of women is steadily increasing. This imbalance is not primarily because startups themselves exclude women, but rather because many startups operate within the technology industry, which is a field that is itself male-dominated. In addition, men are overrepresented in the private sector in general. This pattern is not unique to Finland but reflects a global phenomenon.
- In 2024, women made up 29% of the workforce in the ICT sector, while their share in human health and social work activities exceeded 85%. Overall, the Finnish labor market remains highly segregated by gender. (Statistics Finland, 2025)

Source: Team analysis based on Statistics Finland data

Size matters – scaleups and veterans pay better wages

Average total income by employee by category

€k



- Veterans and scaleups offer higher salaries than early-stage startups and settlers. This finding is intuitive, as scaleups are generally more successful according to business metrics.
- Veterans and scaleups have greater access to funding and generate higher revenues, enabling them to pay higher salaries and attract more experienced and more expensive talent. In contrast, early-stage startups are more likely to attract key employees through equity packages, which typically yield returns only after the company achieves an exit or sells shares.

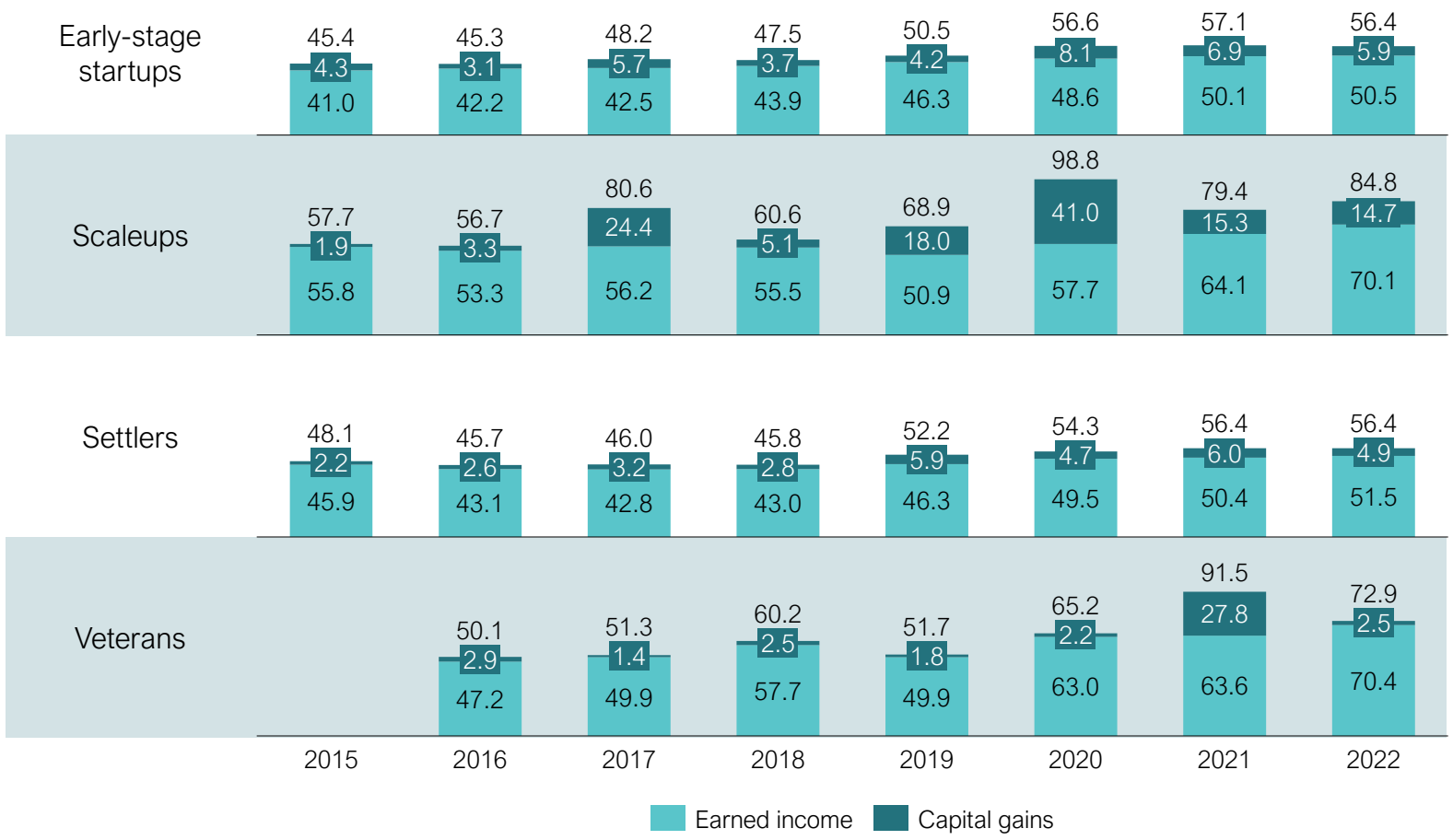
Scaleups and veterans paying more is logical, as they already have a track record and likely funding

Source: Team analysis based on Statistics Finland data

Most of the employee compensation is done through salary income

Average total income by employee by company status

€k



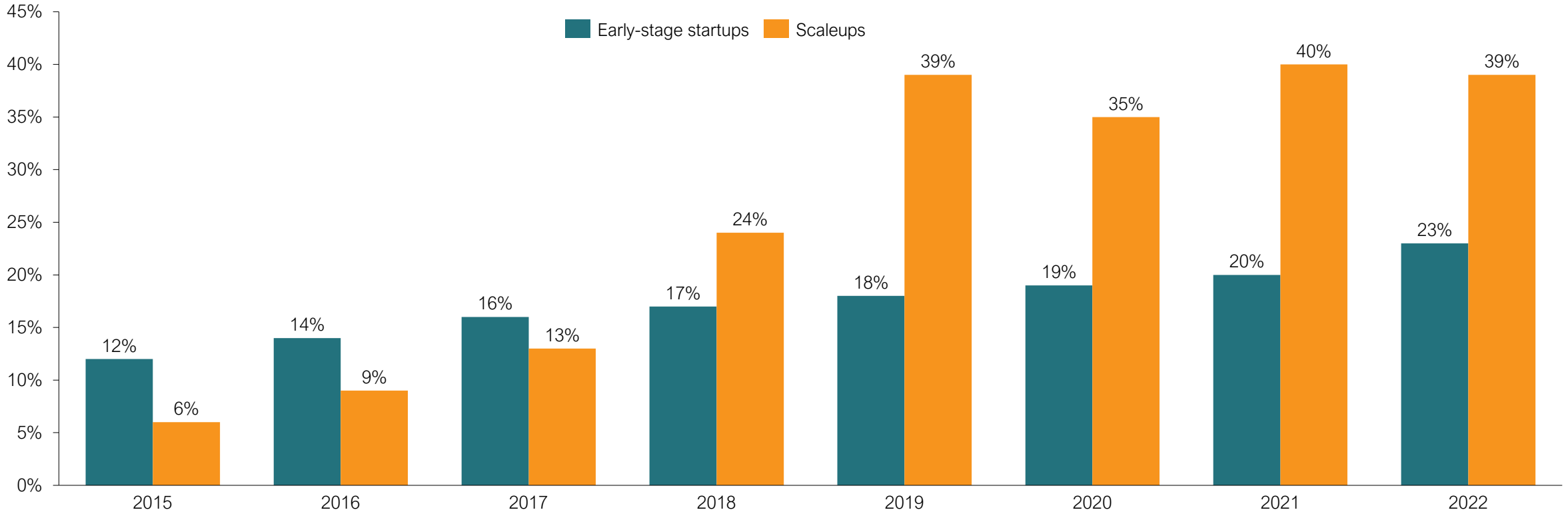
- Using data from Statistics Finland, we can analyze both employees' capital gains and earned income.
- The figures presented here show the mean earned income and capital gains of individuals employed by startups, scaleups, settlers, and veterans.
- It is important to note that exited firms are not included in this analysis.
- We observe greater variance in capital gains, likely because these gains occur when certain key employees realize profits during an exit or a funding event in a given year.
- The increase in capital gains for scaleups in some years indicates exits not captured by our transaction tracking – due to the anonymous nature of the Statistics Finland data analyzed it is not possible for us to identify which exit(s) we haven't identified.

Source: Team analysis based on Statistics Finland data

More than a quarter of startup and scaleup employees in Finland have a foreign background

Share of employees with foreign background in Finland by category

% of all employees in Finland



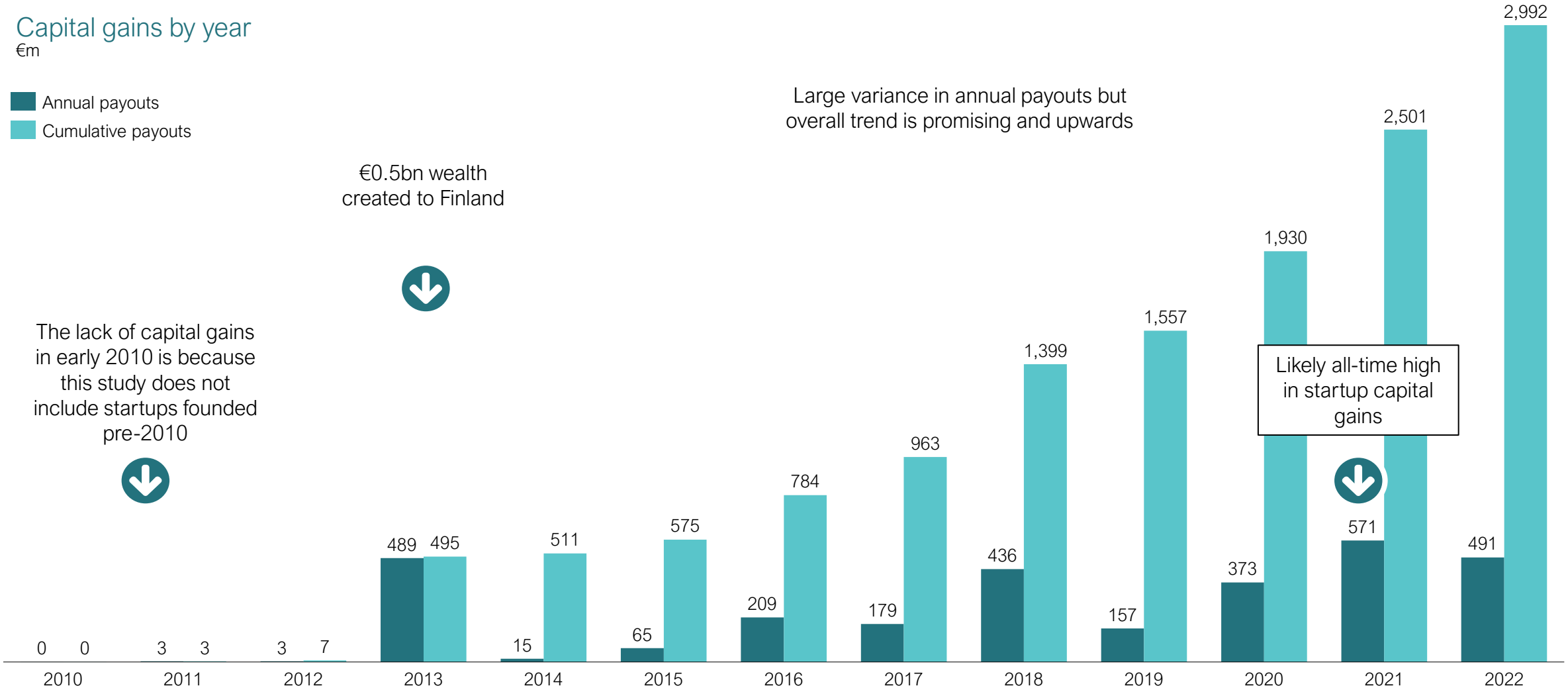
Employees with foreign background play a critical role in scaling new startups to international scale

Note: Foreign background defined as person born outside of Finland, or born in Finland, but to foreign-born parents.
Source: Team analysis based on Statistics Finland data

The employees of the 4,000+ identified startups have received almost €3bn capital gains in less than ten years

Capital gains by year

€m



Source: Team analysis based on Statistics Finland data

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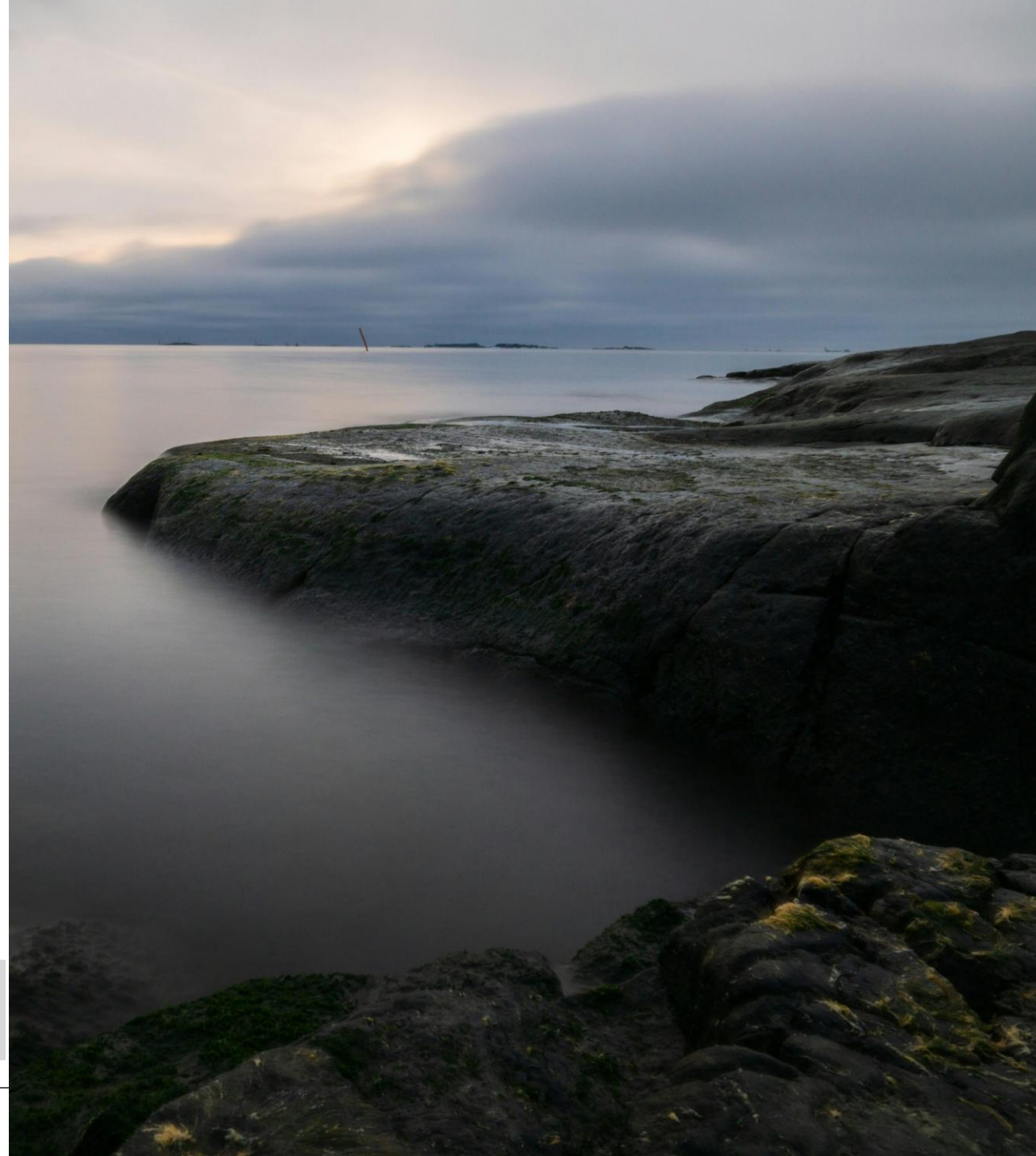
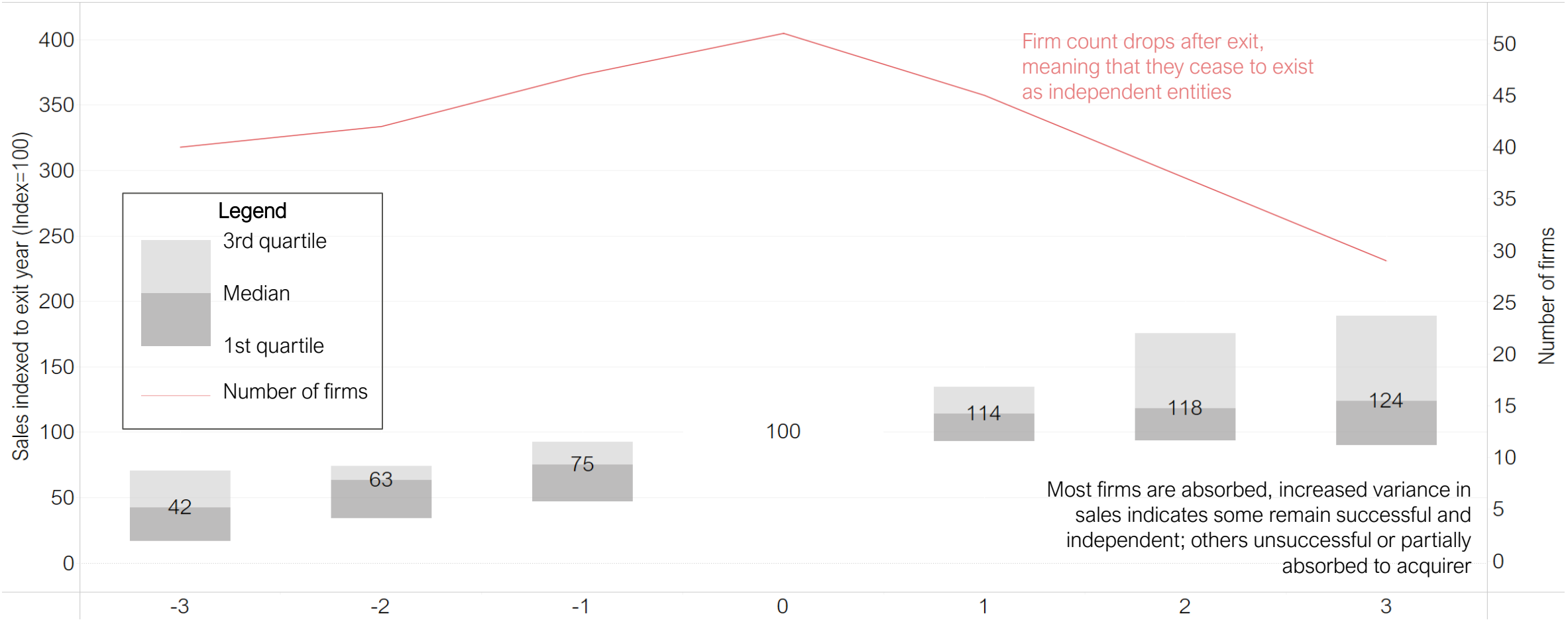


Post-exit financials aren't comparable, as it's (seemingly) random whether companies continue as standalone businesses or not

Sales development compared to exit year

Indexed sales development, index=100; Number of active firms per year



Source: Team analysis based on Tesi's data model