



**Pääomasijoittajat**

Finnish Venture Capital Association

# Venture Capital in Finland 2020

Statistics on fundraising, investments, and divestments

Presentation as of 20 April 2021

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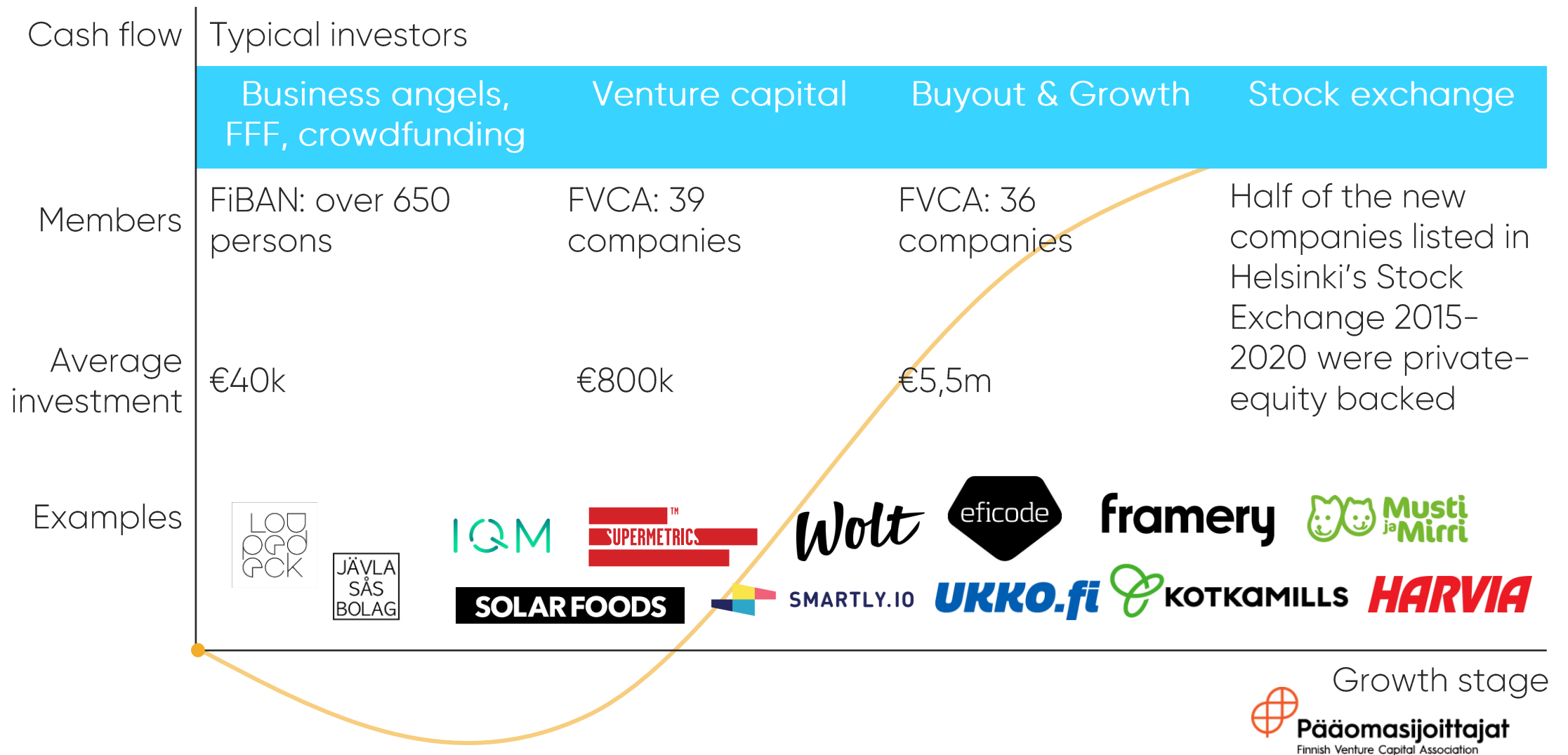
Finnish VC activity in Finland and abroad

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Investments into Finnish companies by Finnish and international investors

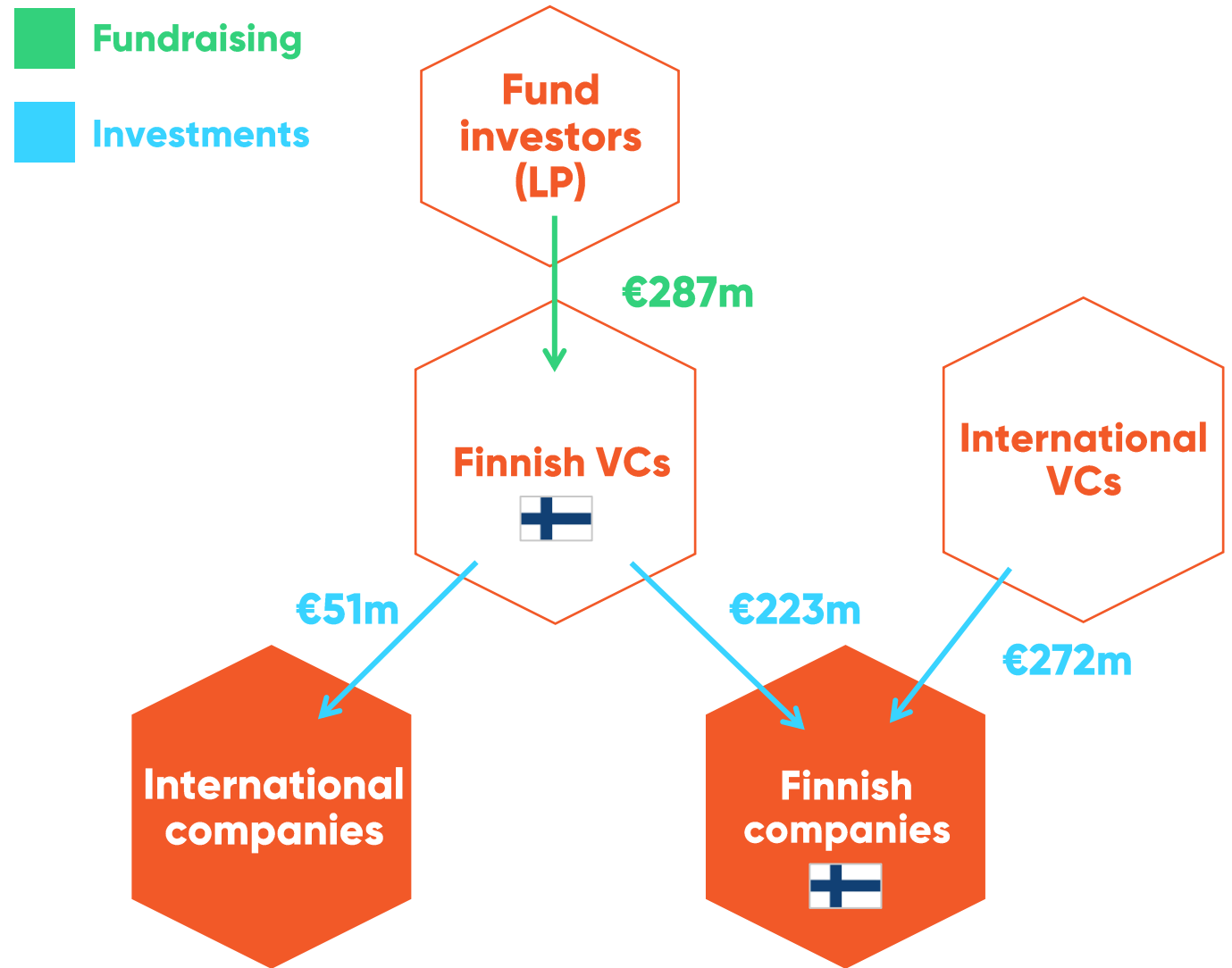
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# Private Equity Investors by Stage



# Venture Capital (VC) 2020

Both the investments by Finnish VC investors and the investments received by Finnish startups reached a new record amount in 2020



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

# Venture Capital (VC) 2020

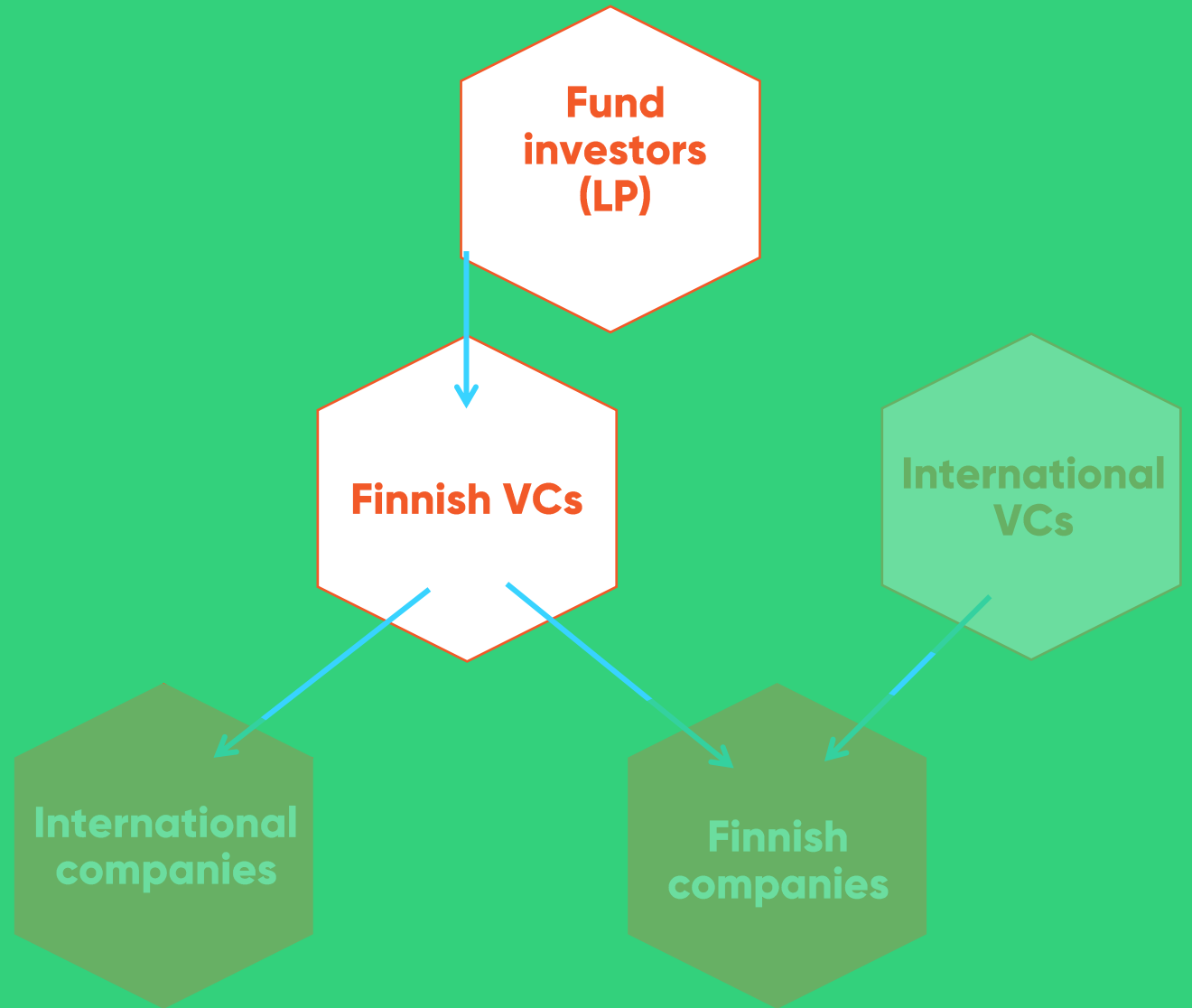
Statistics in brief

- Finnish VCs raised a record sum of **€287m** (-25 %) of new funds.
- Finnish companies received **€495m** (+73 %) worth of VC investments in total, out of which **€223m** (+97 %) came from Finnish investors and **€272m** (+57 %) from international investors. Altogether, **174** (-5 %) Finnish companies received a domestic or international VC investment.
- Finnish VC firms invested a record-total of **€274m** (+78 %) into **234** (+8 %) domestic and international startups or early-stage growth companies.
- 19 % of total investments by Finnish VCs were invested into companies abroad (**€51m** in total).

# Industry Statistics

Finnish VC activity in Finland and abroad

# Fundraising



# Highlights of VC Fundraising in 2020





# Strong Fundraising Continues After the Record Year

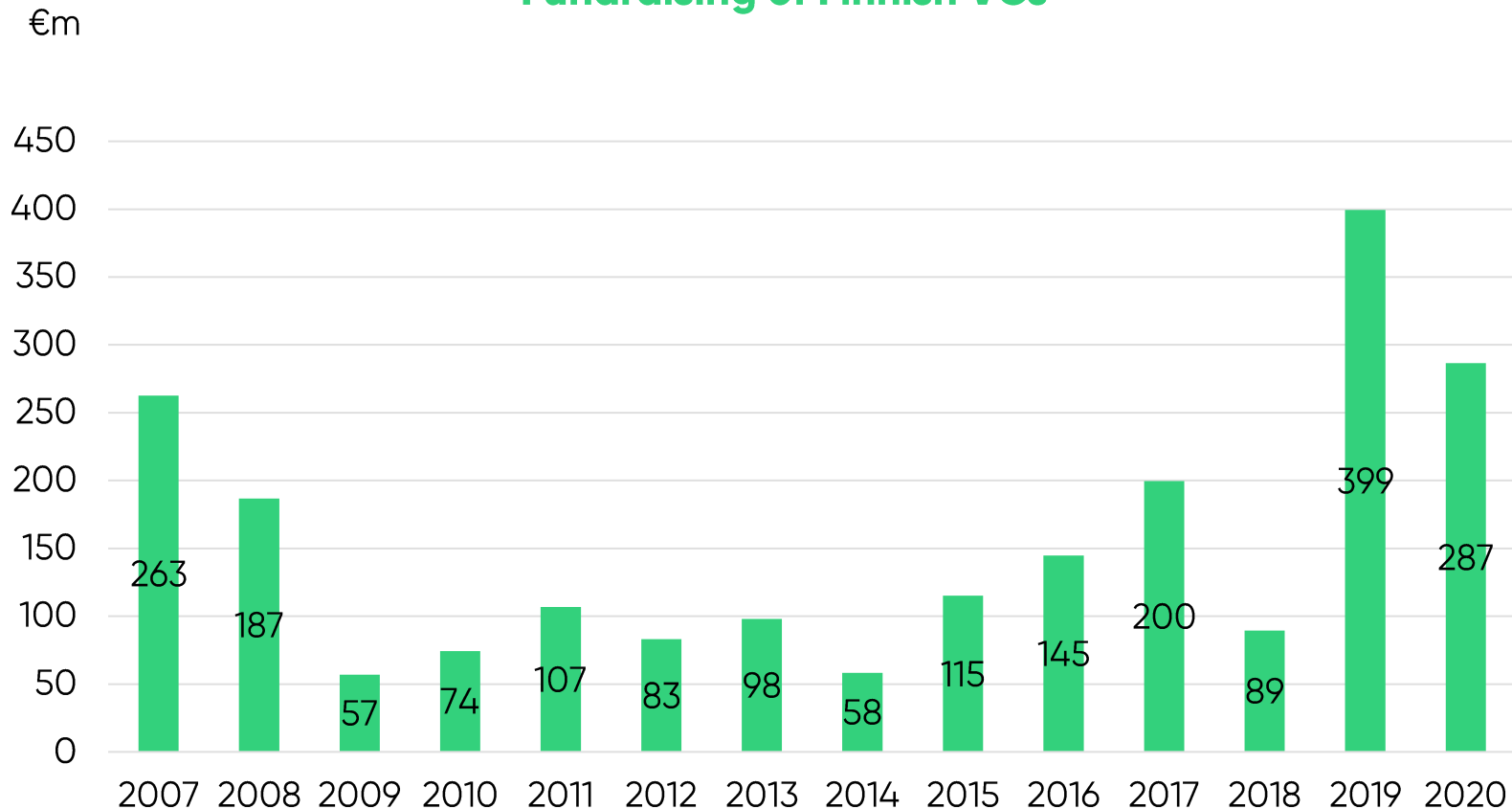
## Almost €700m

of funds raised to Finnish VC  
funds during the last two years

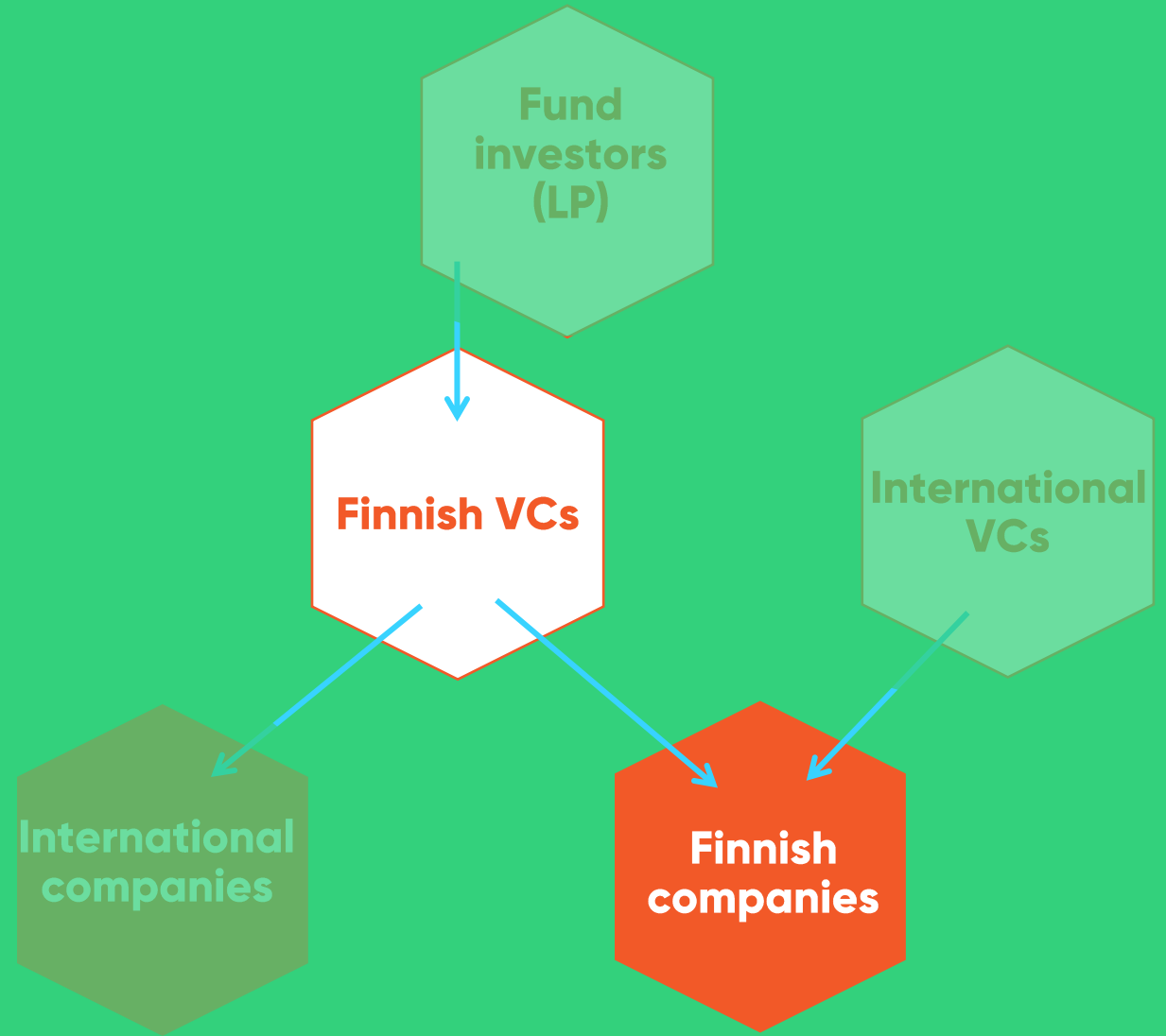
raised funds will be invested in  
startups during the following  
years

private sector investors' share  
of fund investors is 75 %

## Fundraising of Finnish VCs



# Investments



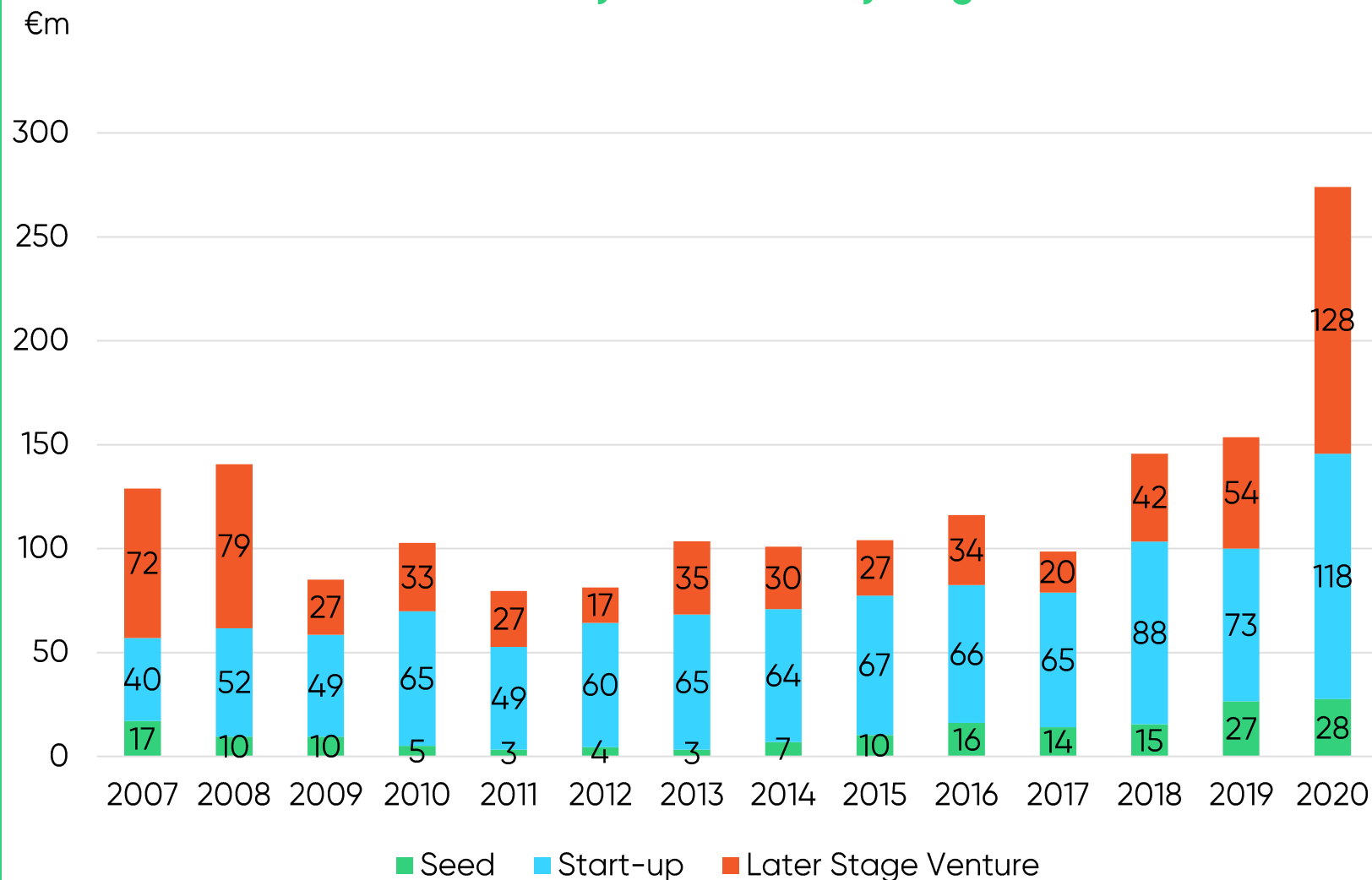
# A Record Sum Invested by Finnish VCs

**€274m** (+78 %)

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

most significant increase in  
investments in later-stage  
venture (+140 %)

Investments by Finnish VCs by Stage

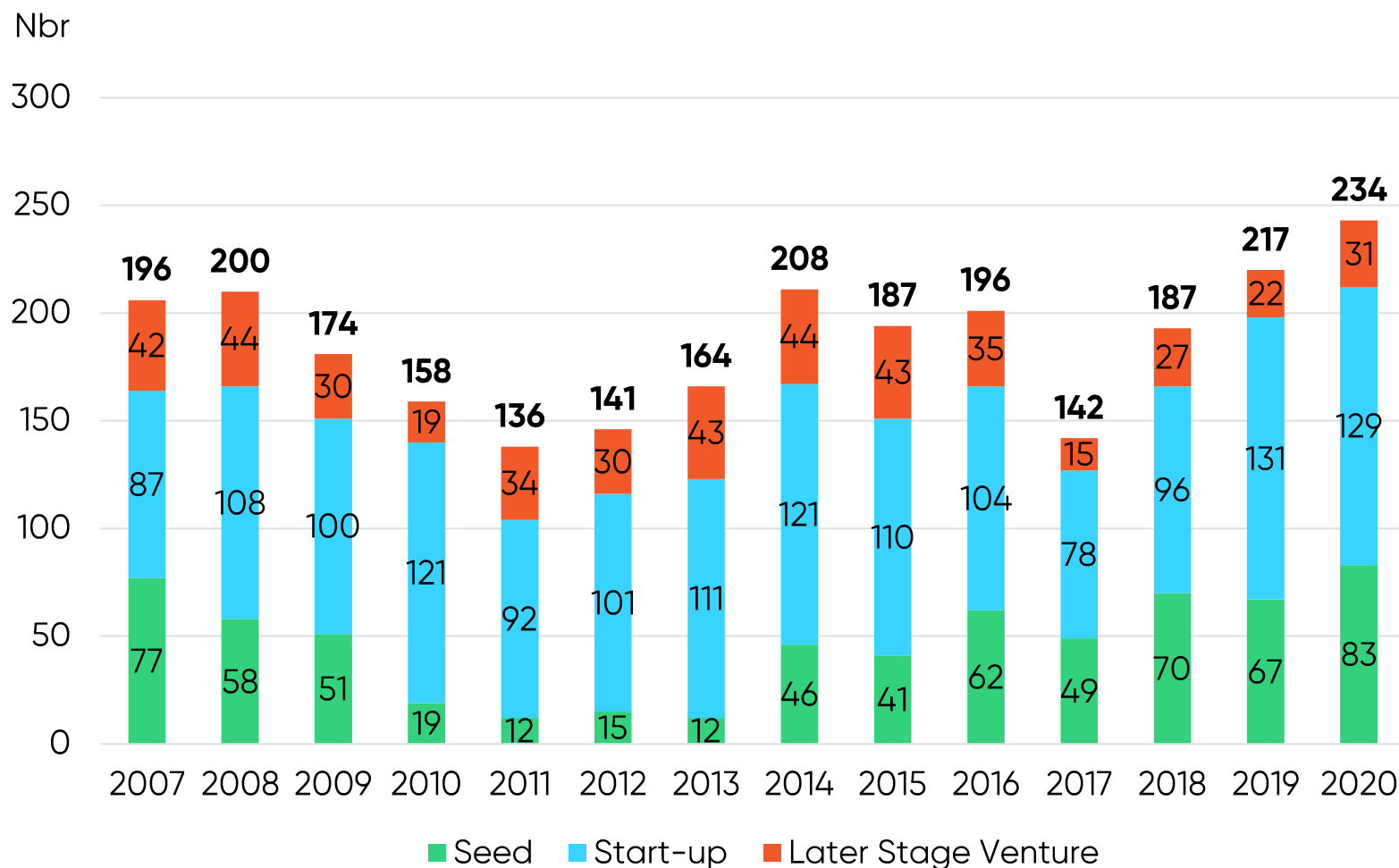


# Record-Breaking Number of Companies Received Investments

**234 companies** (+8 %)  
received investments from  
Finnish VCs in 2020

**83 companies** (+24 %)  
record number of companies  
received funding in seed stage

## Finnish VC Investors' Investments by Stage



**N.b.** A company may have received more than one investment during the same year (e.g. both in the seed and startup stages). However, each company is taken into account only once in the total number of investments.

# Investments Increasing in Size

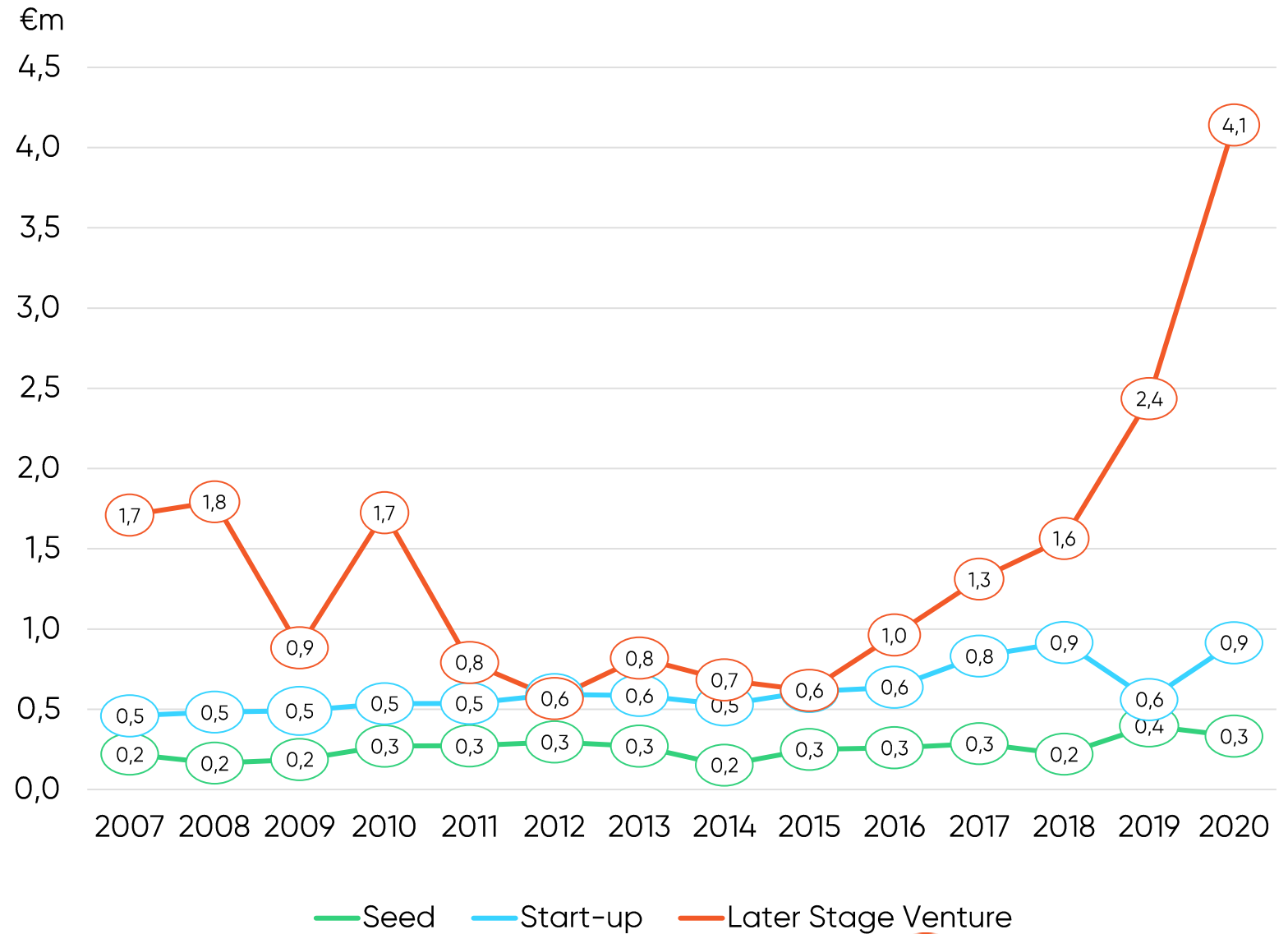
**€1,2m**

the average investment size  
has increased 65 % from year  
2019

**€4,1m**

the average size has increased  
most in later-stage venture  
investments

## Finnish VCs' Average Investment Sizes

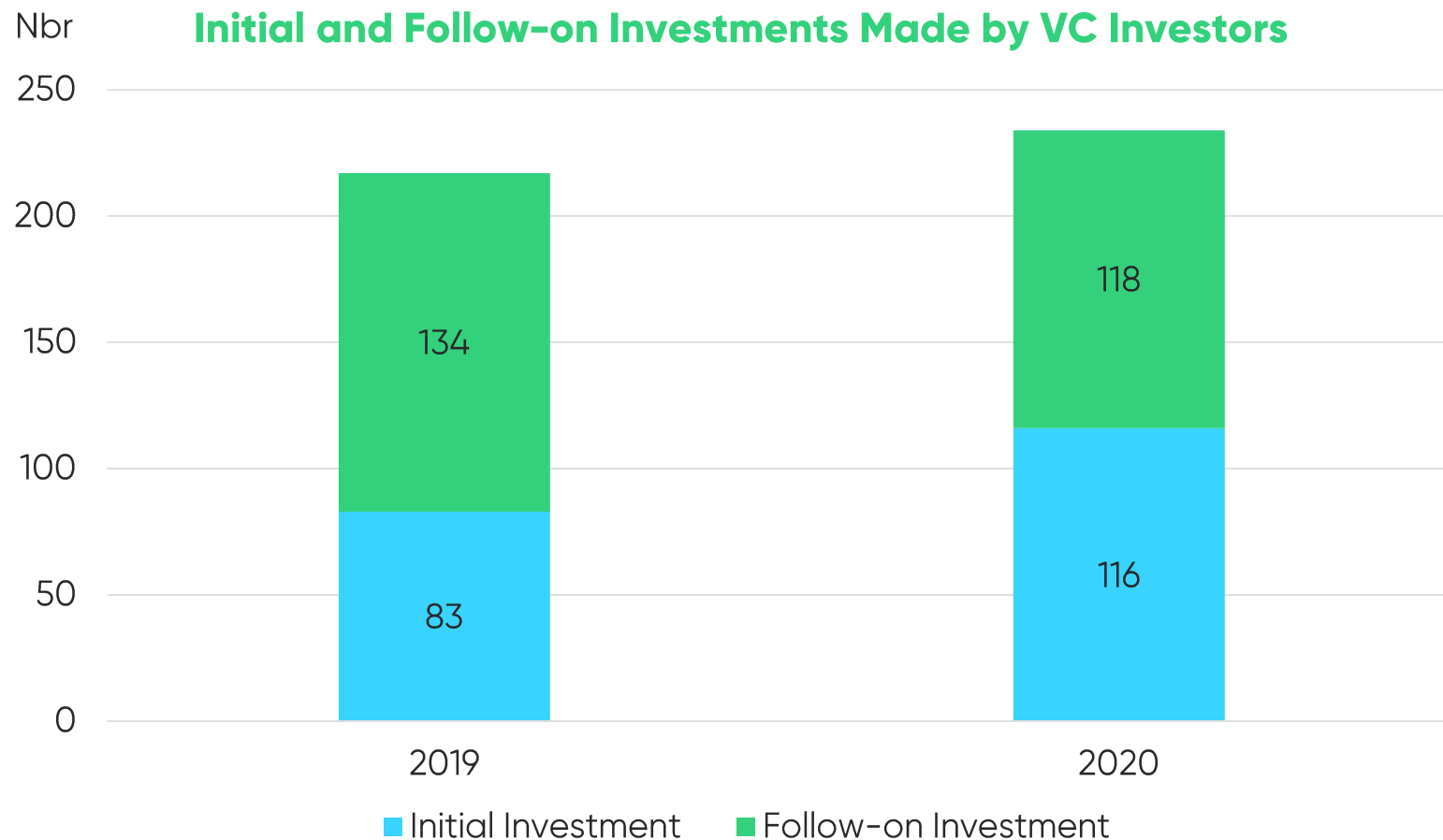


# Half of the Investments Were First-Time Investments

## 116 companies

VC investors' investments in new portfolio companies

initial investments made by VC investors have increased 40% despite the Covid-19 pandemic



# The Growth in Investments Is Led by the Private Sector

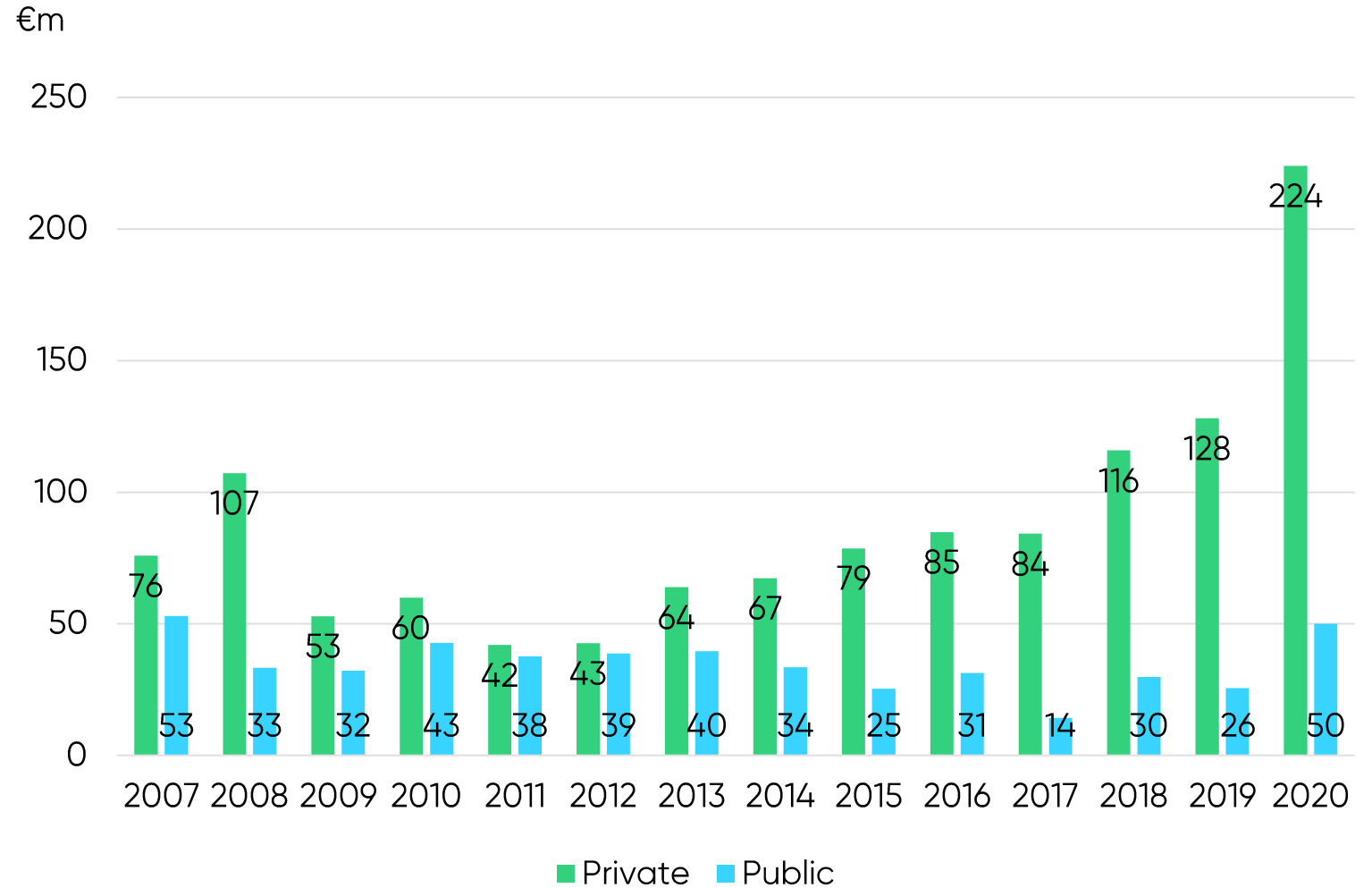
**€224m** (+75 %)

private-sector investments in startups are increasing rapidly

the public sector has an essential role complementing private investments and especially as a fund investor

€14m of the public sector's investments were made through the Venture Bridge programme

## Finnish Private and Public Sector VC Investments



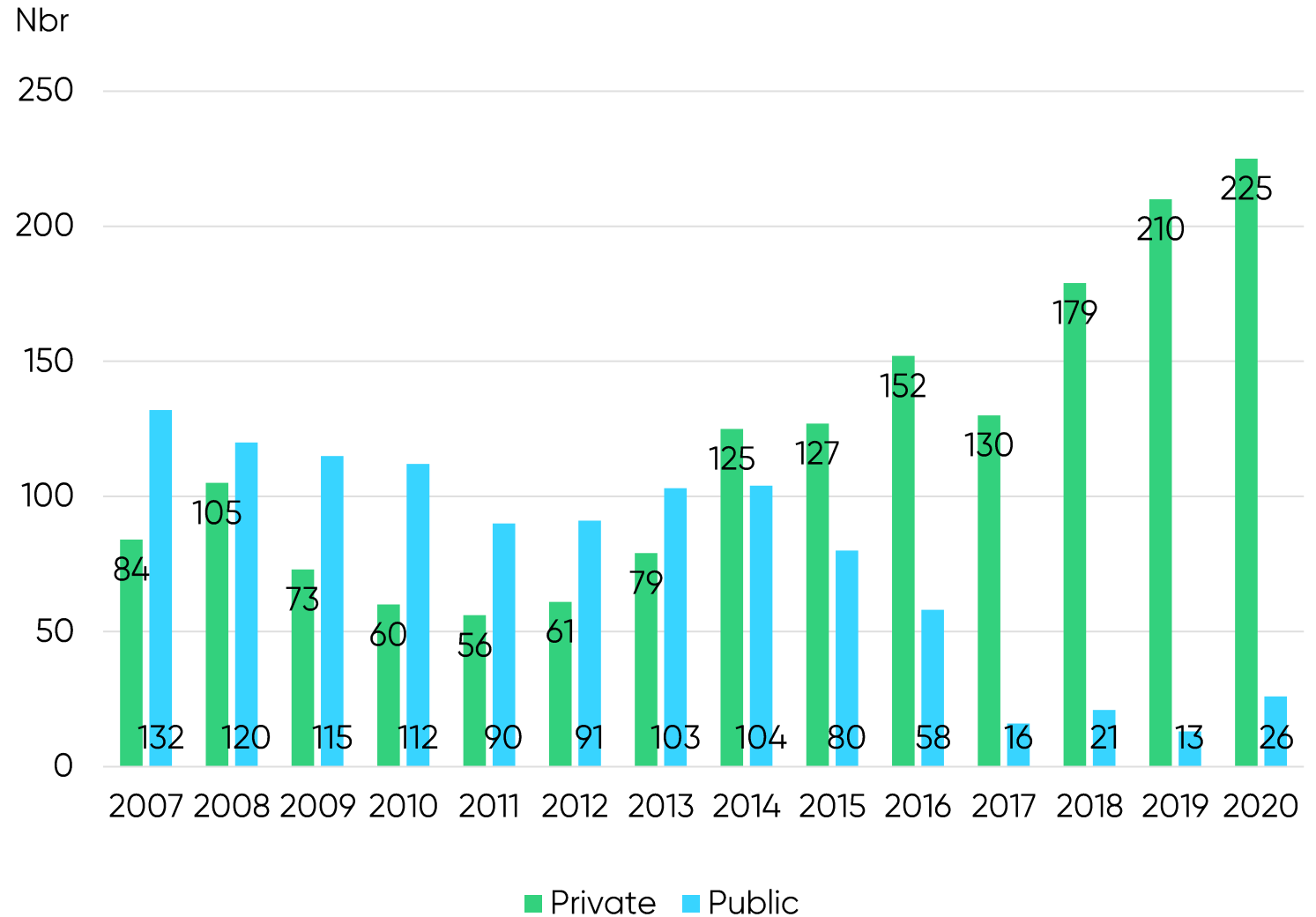
# Private Sector VC Investments to Over 200 Companies

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

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

15 companies received public  
sector investments through the  
Venture Bridge programme

## Finnish Private and Public Sector VC Investments





# The Internationalisation of the Finnish VC Industry Continues

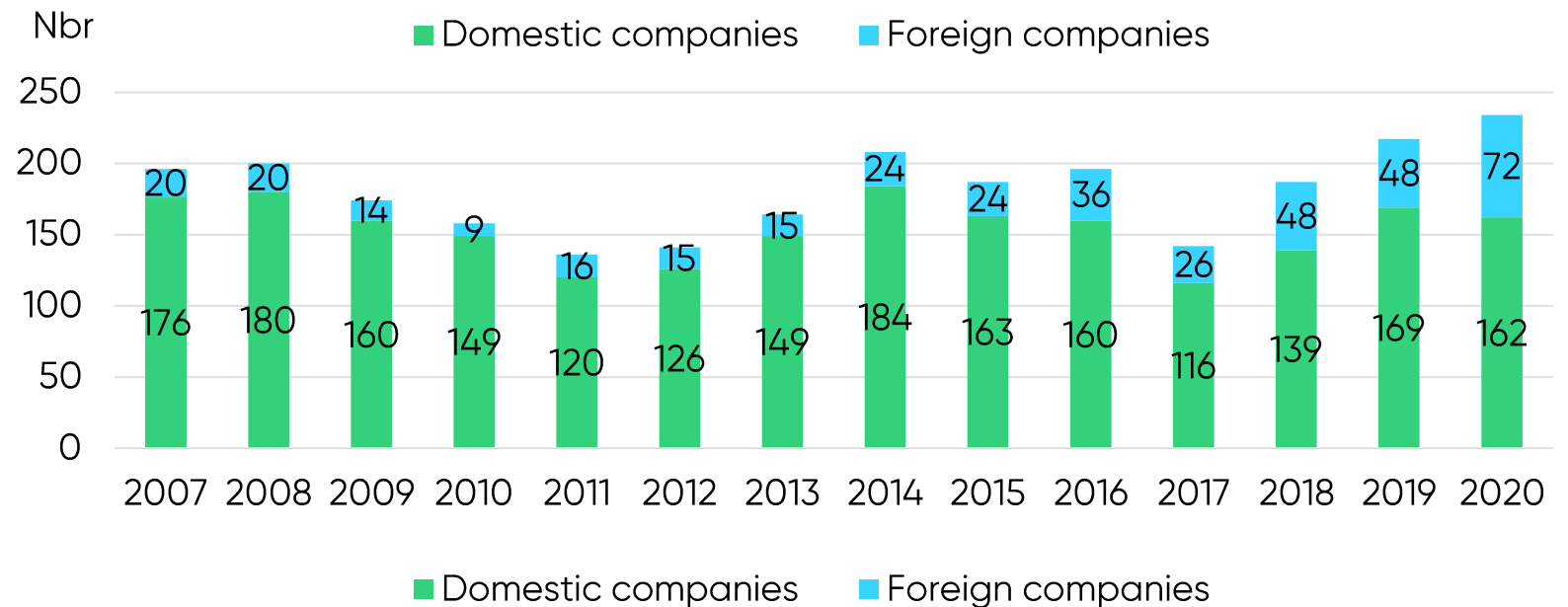
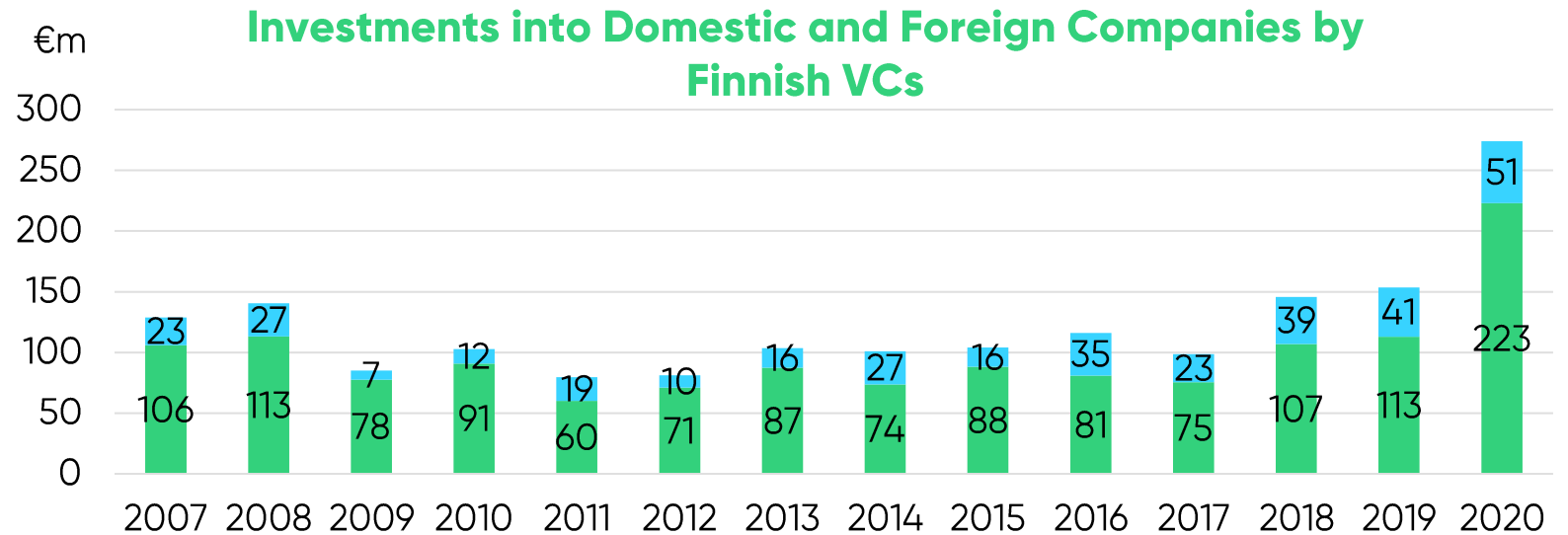
**€51m, 72 companies**

(+24 %, +50 %)

Finnish VCs' investments in total into international companies in 2020

In 2020, 31 % of the companies Finnish VCs invested in were foreign

19 % of the capital was invested in foreign companies



# Divestments

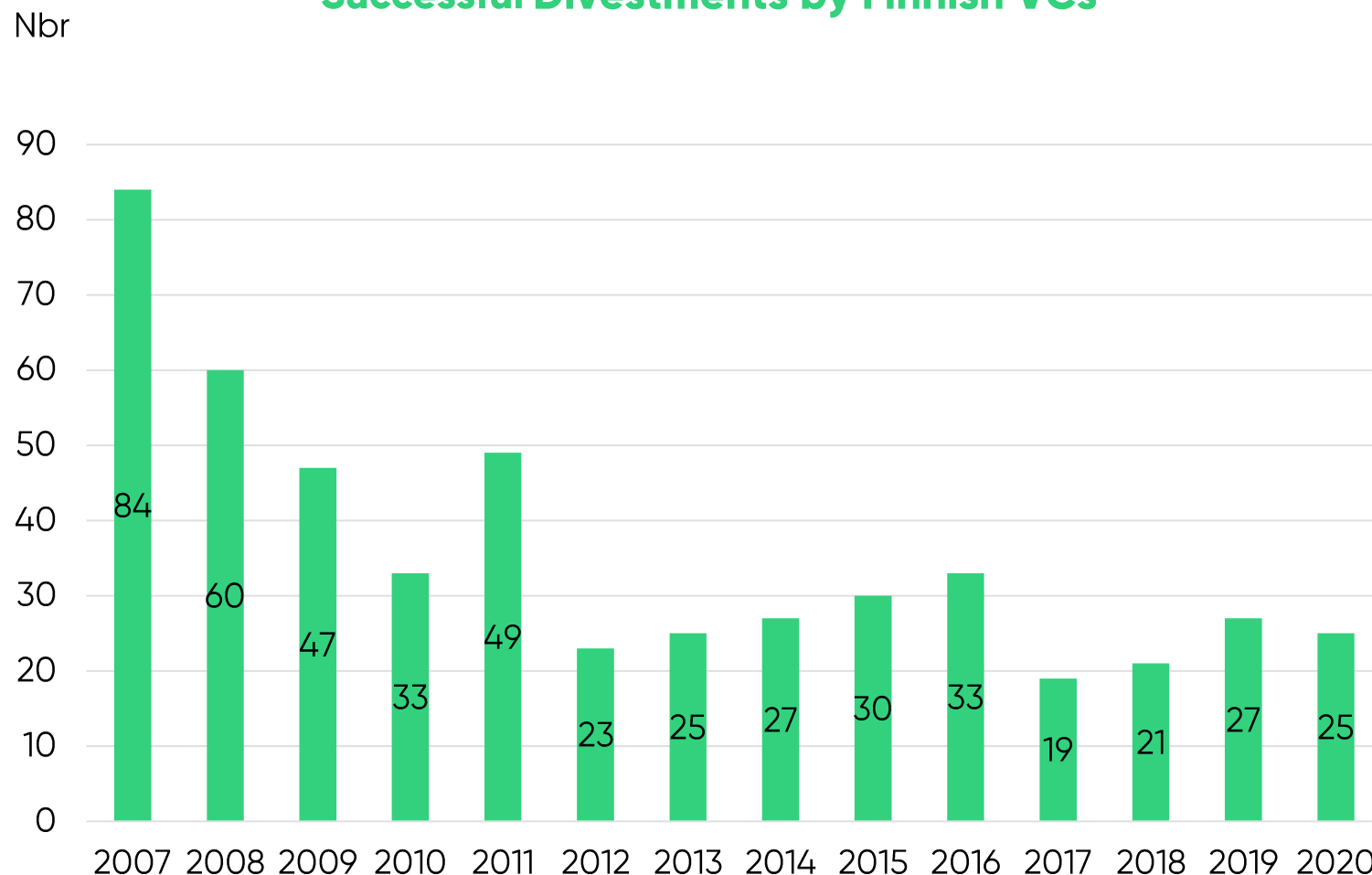
## Divestments Continued at a Stable Level

**25** (-7 %)

companies were successfully exited in 2020

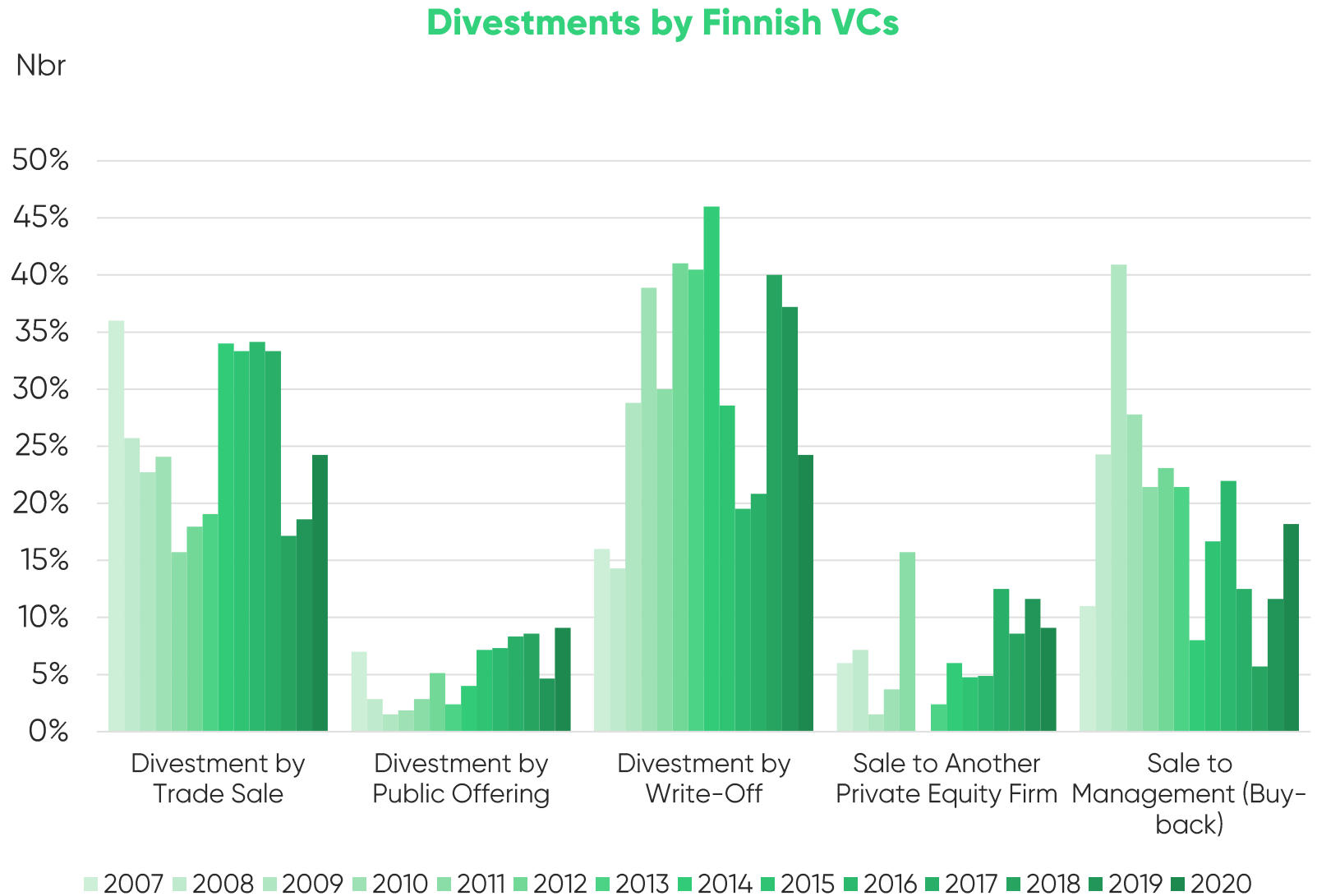
Finnish VC portfolios have many promising, developing companies that have been able to raise substantial follow-on financing rounds

### Successful Divestments by Finnish VCs



# Divestments by Trade Sale the Most Common Exit Path

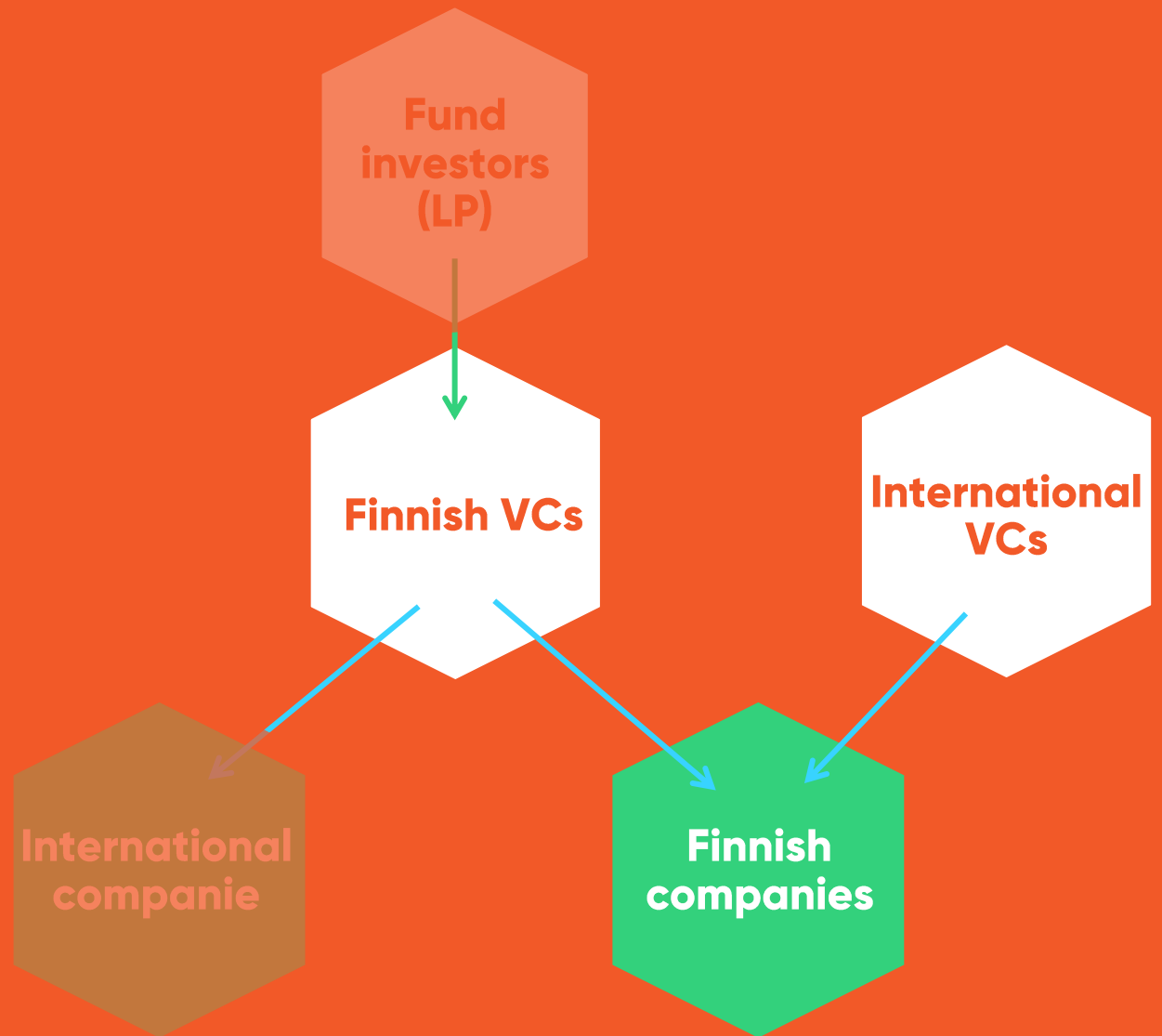
no increase in write-offs despite the pandemic year 2020



# Market Statistics

Investments in Finnish startups and growth companies by Finnish and international investors

# Investments



# VC Investments in Finnish Companies Increased by More Than €200m

**€223m** (+97 %)

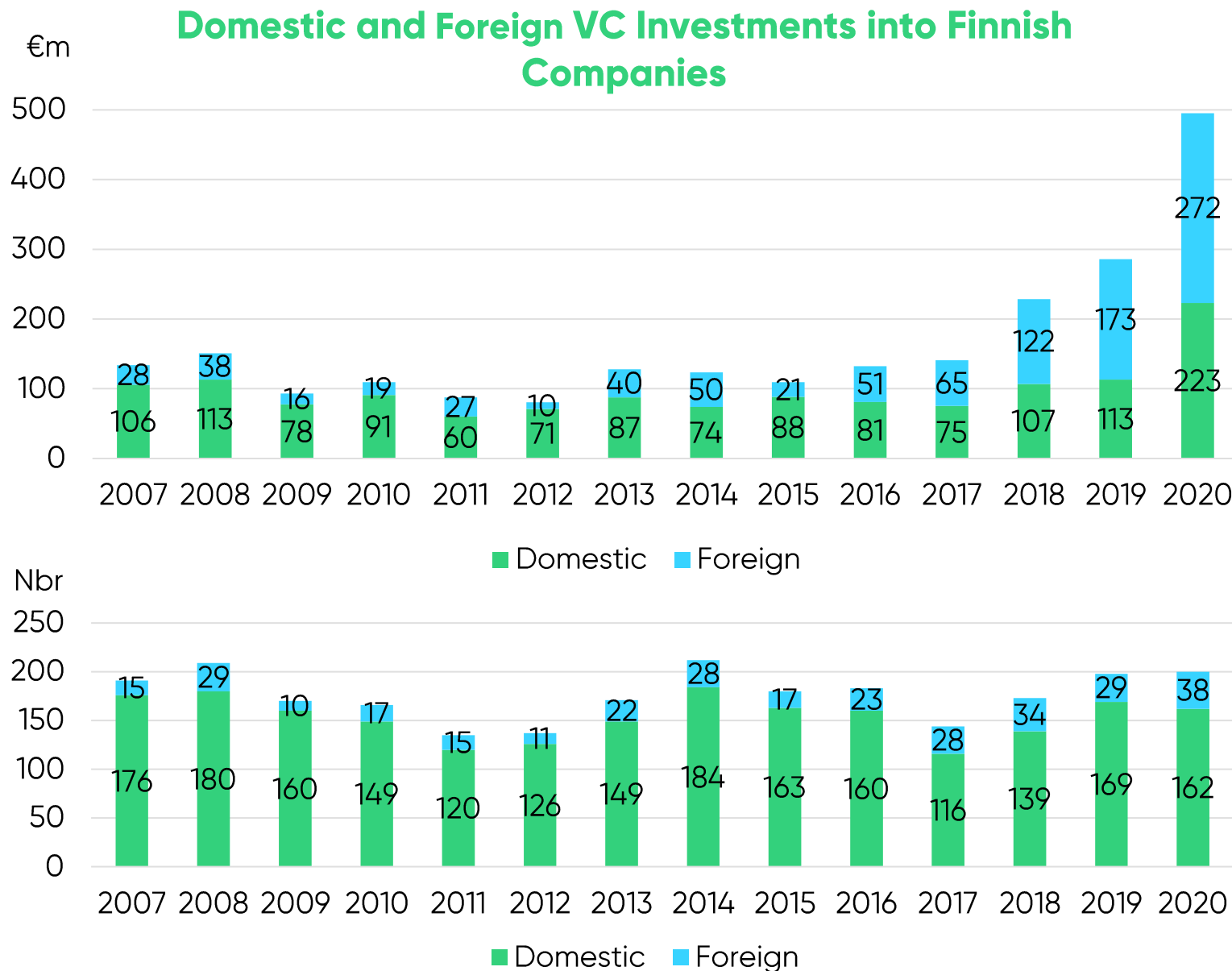
the amount of domestic investments doubled in a year

**€272m** (+57 %)

55 % of all VC investments into Finnish companies were from international investors

**38 companies** (+31 %)

a record-breaking number of Finnish startups received VC investment from abroad



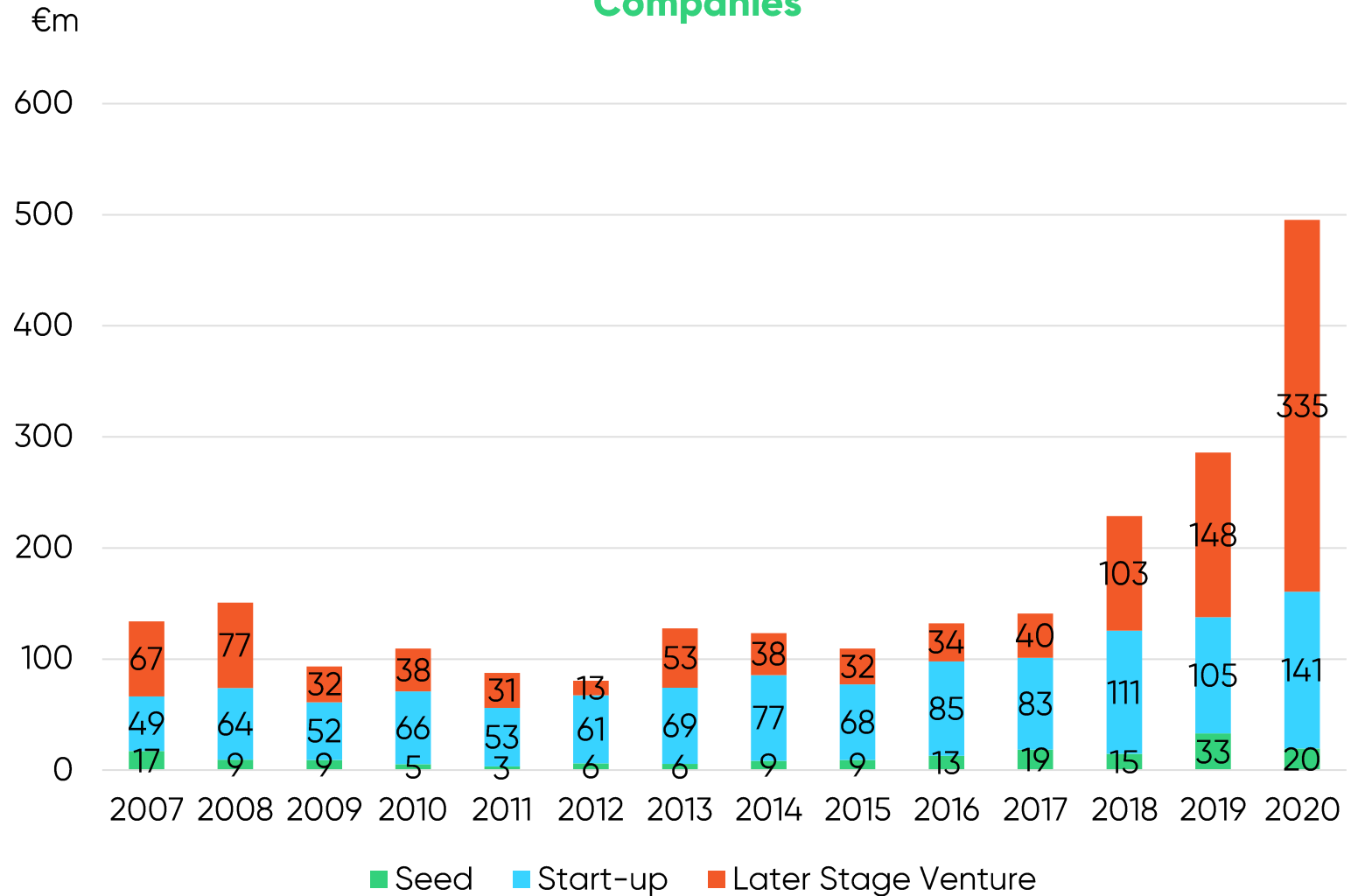
## Biggest Increase in Later-Stage Investments

**€335m** (+126 %)

the amount invested in later-stage increased by 126 % from the previous year

the all-time largest seed investment was made in IQM in 2019 (€11,5m)

### Domestic and Foreign VC Investments into Finnish Companies





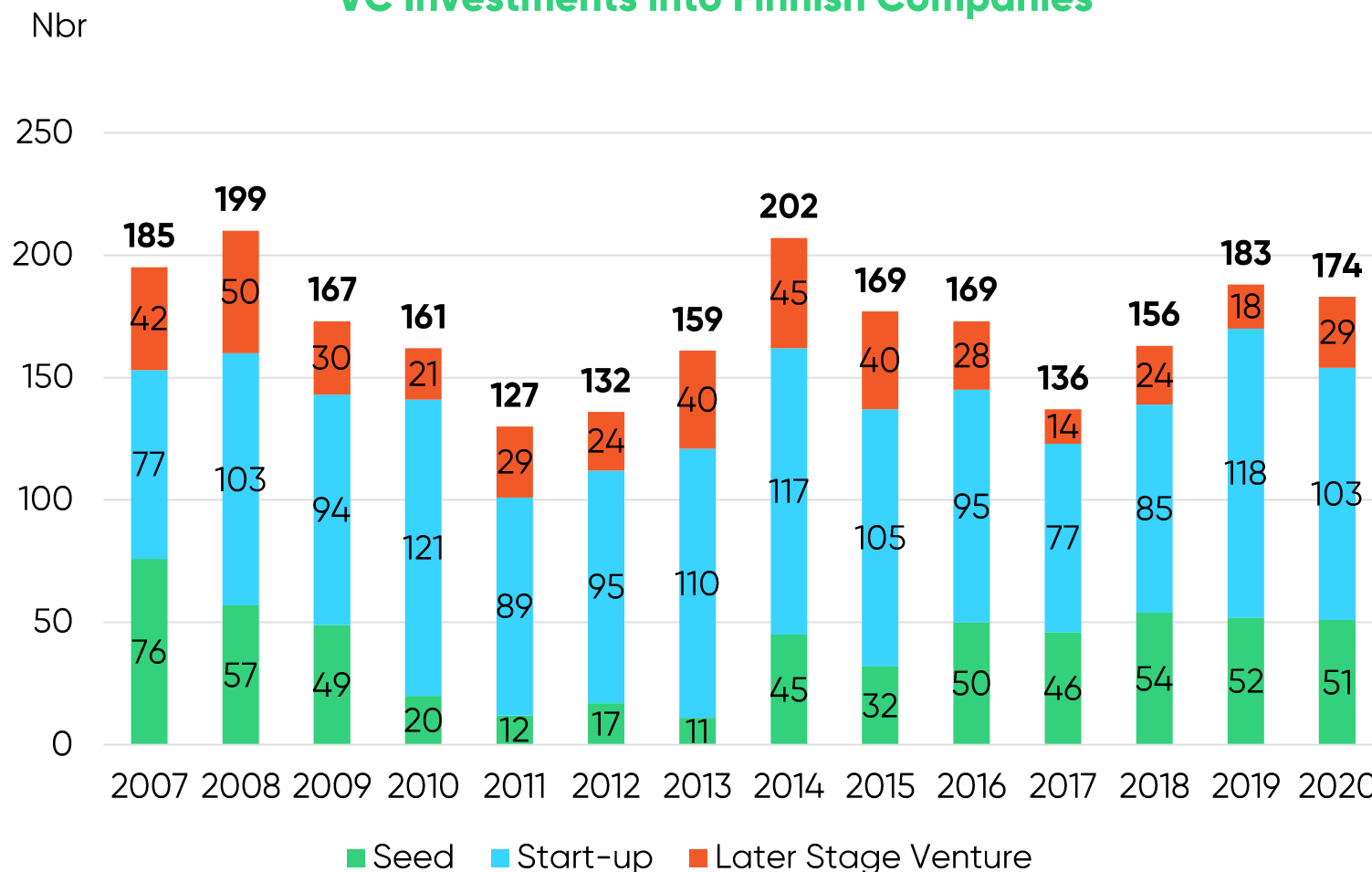
# The Number of Companies Receiving Investments Has Remained Stable

**174** (-5 %)

the number of Finnish startups that received VC investments in 2020

approximately 50 companies per year receive seed-stage investments

## VC Investments into Finnish Companies



**N.b.** A company may have received more than one investment during the same year (e.g. both in the seed and startup stages). However, each company is taken into account only once in the total number of investments.

# The Average Size of Investments Has Increased

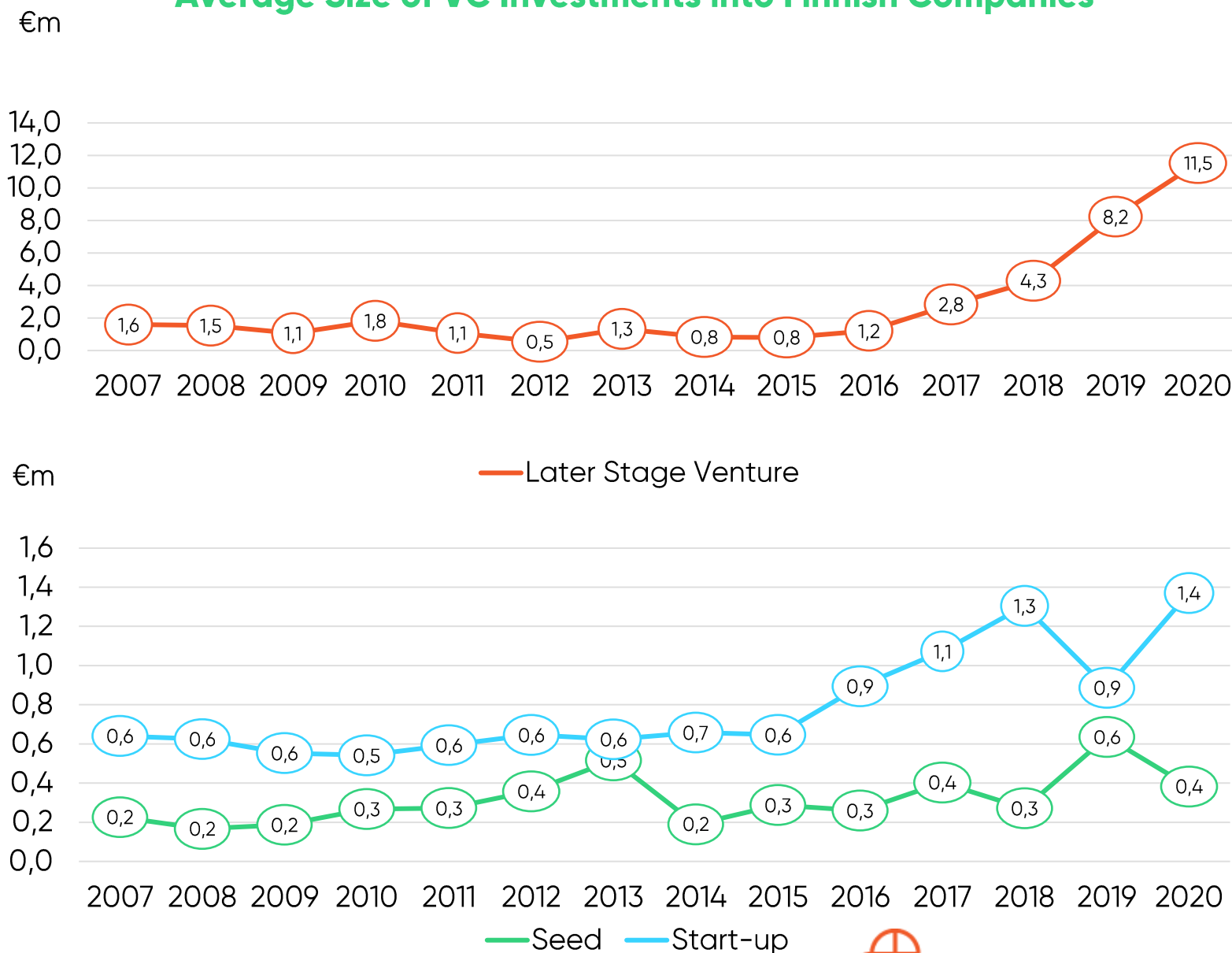
**€2,8m** (+82 %)

the average size of VC investments in Finnish companies

**€11,5m** (+40 %)

as the top companies continue to grow, the size of later-stage venture investments has risen

## Average Size of VC Investments into Finnish Companies



# Most Investments in ICT Companies

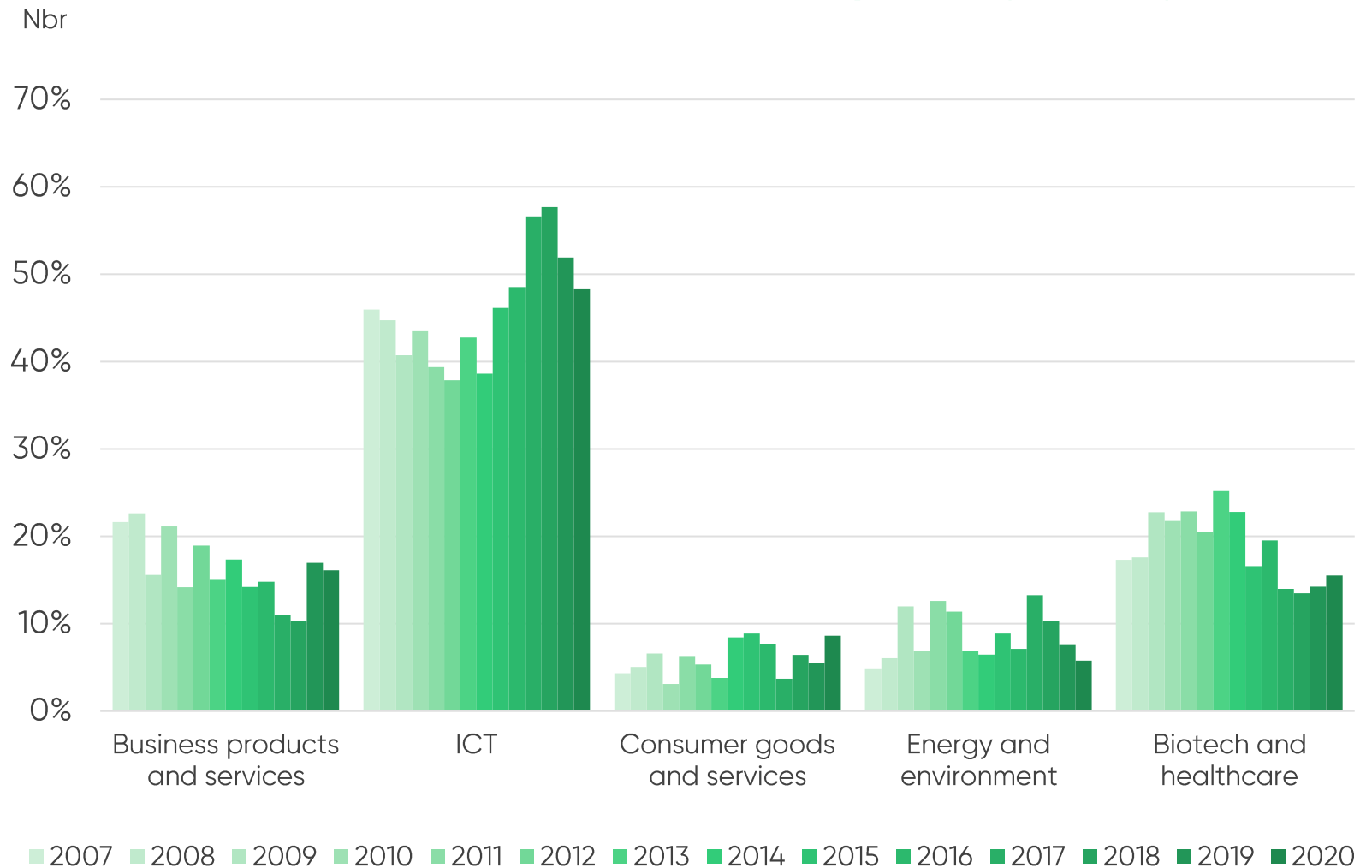
48 %

of investments were made in ICT companies in 2020

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

consumer goods and services and biotech and healthcare are on the rise

## VC Investments into Finnish Companies by Industry

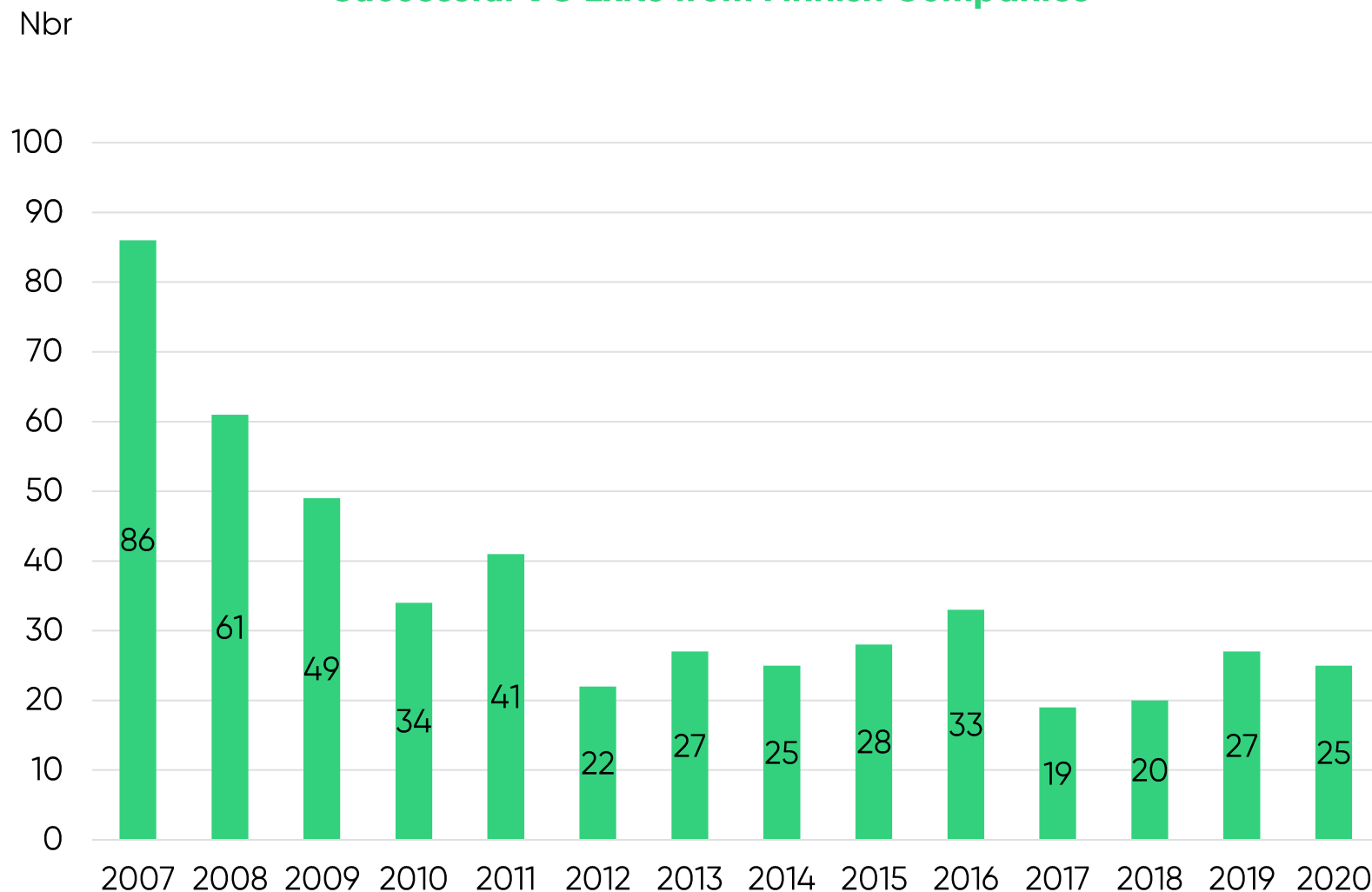


# Divestments

## Divestment Activity Has Stabilised

divestment activity has stabilised, but Finnish companies have continued to raise substantial follow-on financing rounds

### Successful VC Exits from Finnish Companies

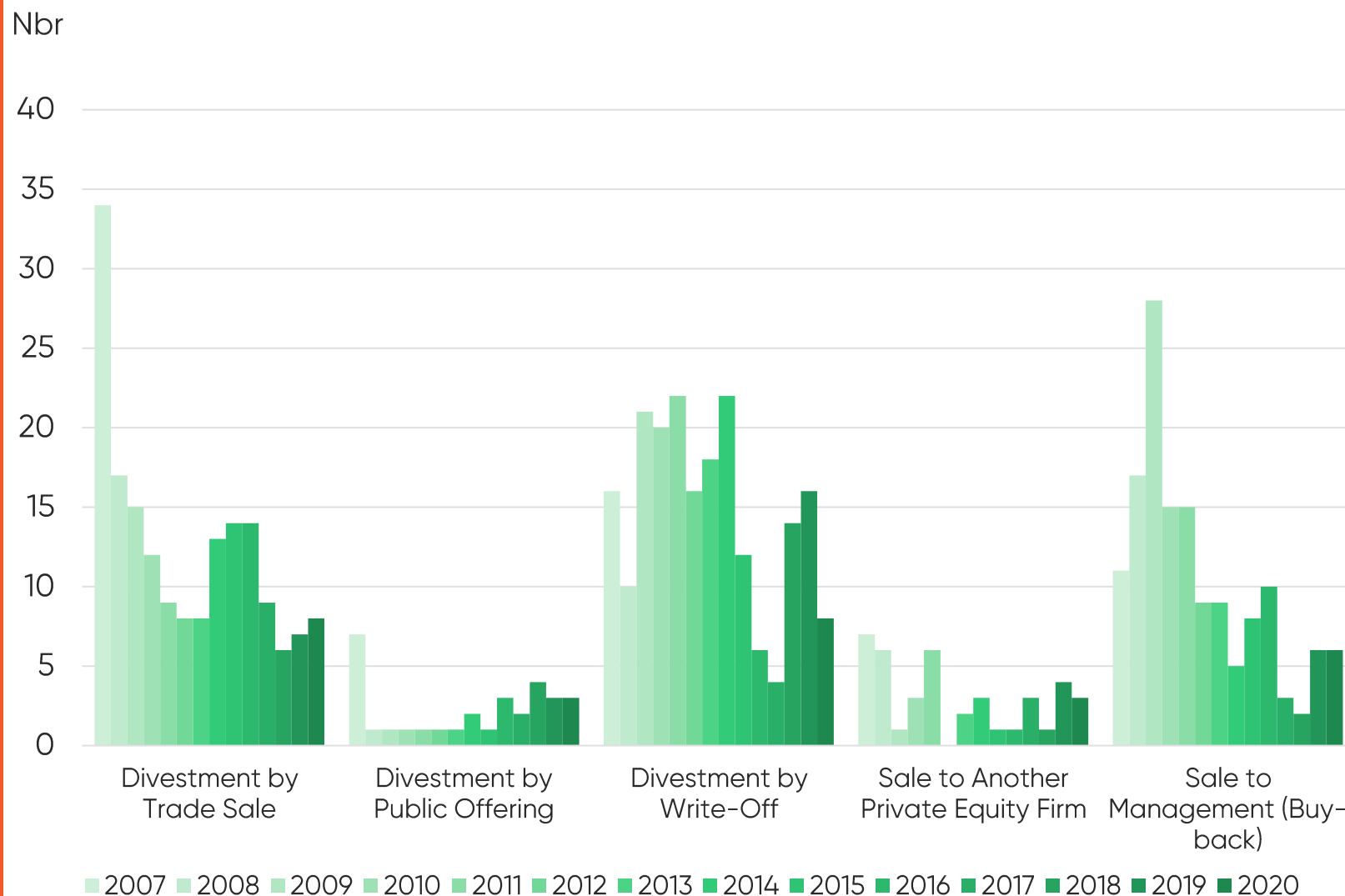


Sources: FVCA, EDC

## Successful Divestments

Notable exits in 2020 include, for instance, health technology companies Kaiku Health and Blueprint Genetics as well as technology company KNL Networks

### VC Exits from Finnish Companies



# Early-Stage Funding in Total

# €951m Invested in Finnish Startups

€543m

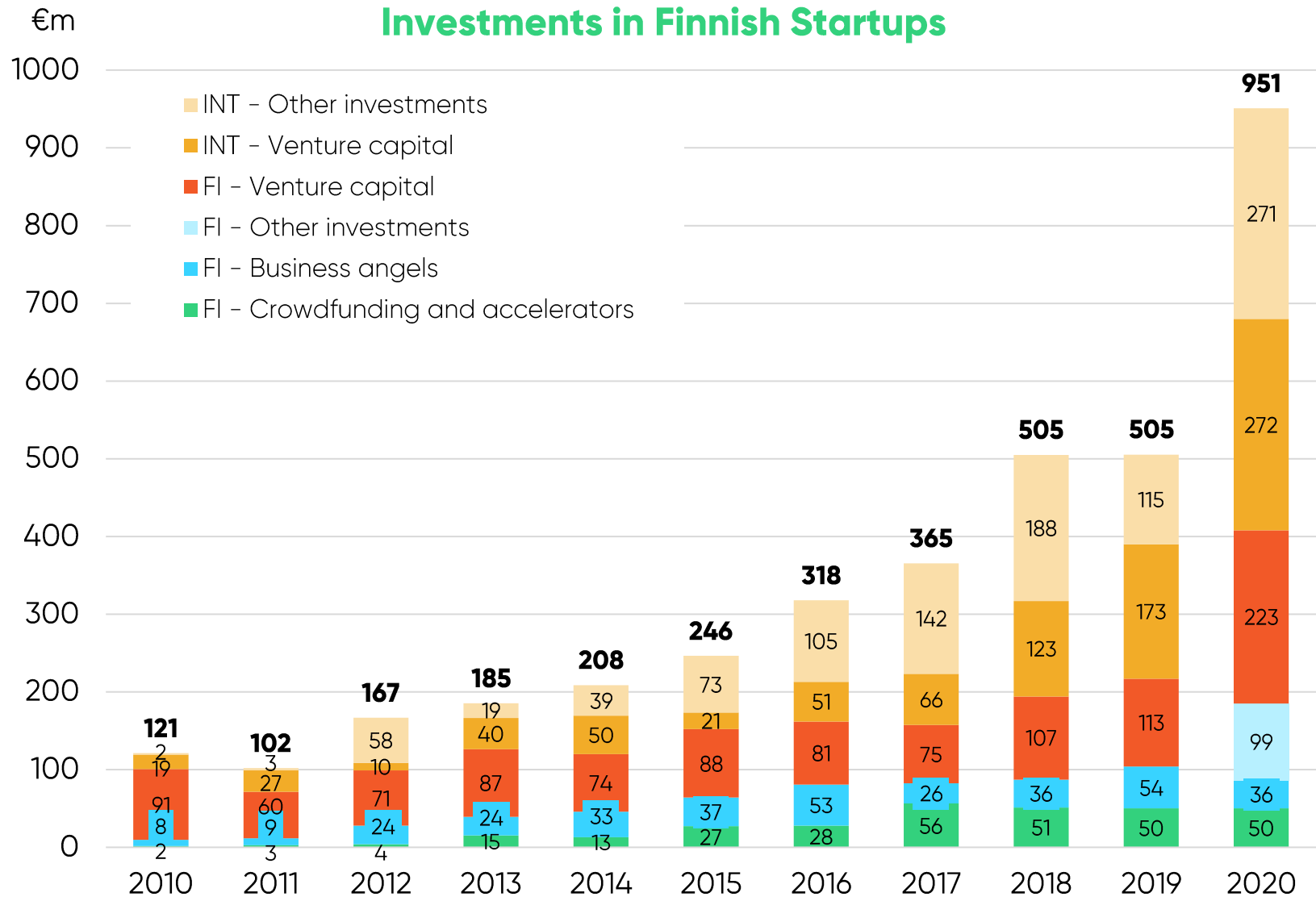
share of foreign investors is over 50 % of the total amount invested

€495m

from domestic and foreign venture capital investors in 2020

€99m

a new category 'FI – Other investors' was added after notable investments in 2020



N.b. FI - Other investments category added in 2020













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



# Highlights of Startup Investments in 2020



# Largest Investments in Finnish Startups

1.		440 M€	2021
2.		195 M€	2020
3.		175 M€	2019
4.		110 M€	2019
5.		100 M€	2020
6.		98 M€	2013
7.		86 M€	2018
8.	 aiven	84 M€	2021
9.		74 M€	2020
10.		67 M€	2021
11.		46 M€	2020
12.	 ePassi	42 M€	2019
13.		40 M€	2020
14.		39 M€	2020
15.		36 M€	2020

# Methodology



# The Following National Private Equity Associations Are Cooperating With EDC

AFIC, France  
AIFI, Italy  
ASCRI, Spain  
BVA, Belgium  
BVCA, United Kingdom  
BVK, Germany  
CVCA, Czech Republic  
DVCA, Denmark  
FVCA, Finland  
NVP, Netherlands  
PSIK, Poland  
SECA, Switzerland  
SEEPEA, Romania and Bulgaria  
SVCA, Sweden  
Invest Europe, Europe

The statistics describing the Finnish private equity industry are based on information received from European Data Cooperative (EDC) private equity database

- A fully functional, centralised non-commercial pan-European private equity database
- With its own staff, internal resources and webportal
- Information is collected via an online survey and complemented with public sources of information
- Figures are updated continuously and are therefore subject to change

**Note:** The statistics include only VC/PE firms' (including evergreens and captives) investments. Syndicate and direct investments made by several other investors, e.g. LP co-investors, individuals, entrepreneurs, business angels, management, corporates, funds-of-funds, other asset managers and/or financial institutions, are not included in FVCA's statistics. However, they may form a notable part of the venture market. Additionally, growth investments' classification to buyout investments affects the venture statistics.

# Methodology

Investment and divestment statistics are aggregated via two methods  
– industry statistics and market statistics

## Industry statistics

- By country of private equity firm's office
- Here: Domestic and foreign investments/divestments made by the Finnish offices of private equity firms

## Market statistics

- By the location of the portfolio company
- Here: Investments/divestments in/from Finnish portfolio companies made by domestic and foreign private equity firms

**Note:** The aggregated figures may not always sum up to totals due to rounding. Some graphs exclude variables labelled as 'unspecified'.

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

# Definitions

VENTURE	Seed	Seed
Investments in companies in their early development stage	Start-up	Start-up, Other early stage
	Later stage venture	Early growth, Transition stage
BUYOUT	Growth	Later growth
A transaction financed by a mix of debt and equity, in which a business, a business unit or a company is acquired	Rescue/Turnaround	Rescue/Turnaround
	Replacement capital	Secondary purchase/Replacement capital, Refinancing bank debt
	Buyouts	Management buyout (MBO), Management buy-in (MBI), Public to private, Other PIPE, Other leverage buyout