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FINNISH BUSINESS ANGELS NETWORK

Angel-backed firms in Finland

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Introduction

In this report, we examine Finnish firms that received angel funding between 2013 and 2023. This analysis is based on a dataset compiled by the **Finnish Business Angel Network (FiBAN)**, which contains information on each firm's business ID, investment year, funding round size, and pre-money valuation.

We link this dataset to Finnish administrative records through Statistics Finland's research databases. The **Finnish Startup Community** has combined several administrative sources — including firm-level financial statements and employer–employee data — to construct a comprehensive dataset that allows us to analyze both firms and the people working in them.

This research was made possible with funding from the Yksityisyrittäjäin Säätiö, whose support we gratefully acknowledge. This report and the datasets we have compiled using the funding serve as a kickstart to the continuous study of the angel-backed startup ecosystem in Finland.

Executive summary

Our findings show that angel-backed firms play a significant role in the Finnish economy. The ecosystem has grown rapidly with **total revenue among these firms exceeding €4 billion (third of total revenue in startup-sector)** and **employing more than 14,000 people (bit less than third of startup-sector).**

Angel-investors seem to prefer technology-heavy companies with sectors all being technology-driven fields. **Year 2025 is a record year for angel-backed firms with private funding raised**. Additionally, angel-backed firms have received over **+1.1b€ of public funding** through loans and grants. However, the **total public funding is on decline** except for one one-off large grant in 2025.

The angel-backed startup sector **remains male-dominated**, although the **share of women has been increasing steadily**. We also find that the **share of highly educated and foreign-origin employees has increased notably** over the past decade.

We shed light on angel-backed firms operating in Finland, using simple descriptive statistics and providing several novel time-series of data from administrative datasets.

We estimate the effects of angel investment on firm performance, taking advantage of the staggered timing of angel rounds across firms. Our initial results are promising, but they should be interpreted with caution and not as causal evidence.

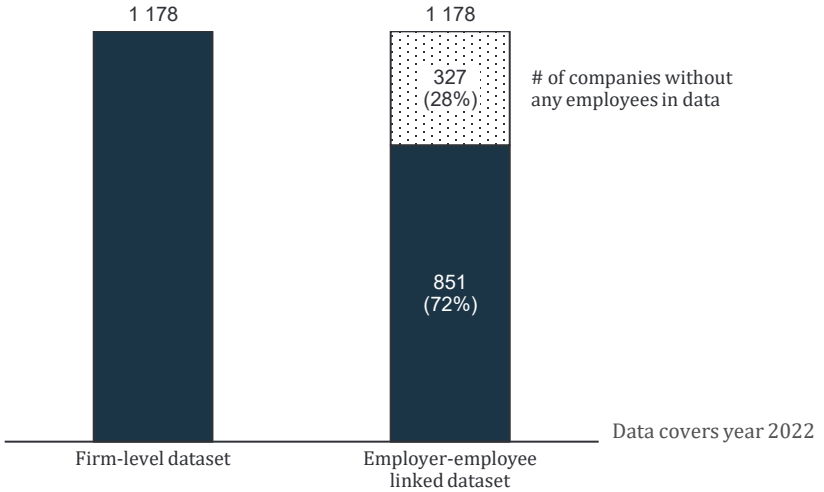
For educational background, we find that **the share of lower – non-tertiary education has decreased** from 2005 to 2023, and that the **mean age of angel-backed firms has remained around 38.**

Lastly, we analyze the employee mean and median for both wages and total incomes. Both wages and total incomes have been increasing over time, and unsurprisingly, mean values are higher than median values. For 2022, **the mean wage was 59k€** and **73k€ for the mean total income**.

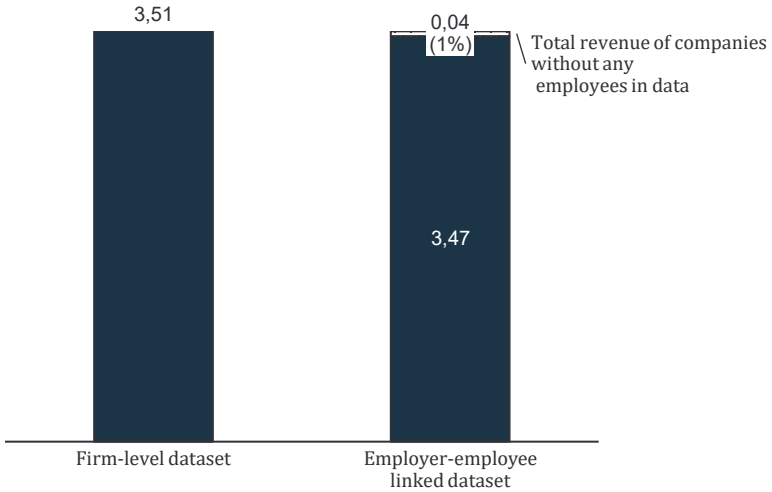
Linking firms to their employees, we lose approximately quarter of companies but only 1% of revenue

Some business IDs do not match any employees, which reduces the number of firms in the linked employer–employee dataset compared to the original firm dataset.

Number of firms before and after linking to employees, # of companies



Total revenue of companies before and after linking to employees, b€



This suggests that the firms lost in the linking process are typically very small and may not employ any workers at all, so their absence has little impact on aggregate revenue measures.

Key figures from Finnish angel investments, 2013-2024

"FiBAN Firm-level Dataset"

(Dataset used in this report)

€181.1M invested

4067 angel investments

1400 unique firms

€20K median ticket size

€1.1M median pre-money valuation

€215K median funding round size

Overall FiBAN Investment Figures

(These include investments with missing details of invested firms)

€480M invested

7700 angel investments

Regional distribution of angel investments

Region	Total Investments in Euros	Investment Count	Investment Share of Total (%)
Uusimaa	112 806 000 €	2278	61,94%
Unknown	*14 455 000 €*	*613*	*7,94%*
Pirkanmaa	12 442 000 €	308	6,83%
Varsinais-Suomi	12 303 000 €	195	6,76%
Pohjois-Savo	7 145 000 €	72	3,92%
Pohjois-Pohjanmaa	5 583 000 €	161	3,07%
Kymenlaakso	3 050 000 €	5	1,67%
Etelä-Karjala	2 133 000 €	28	1,17%
Keski-Suomi	1 931 000 €	67	1,06%
Pohjanmaa	1 746 000 €	43	0,96%
Satakunta	1 582 000 €	30	0,87%
Ahvenanmaan maalaiskunta	1 278 000 €	14	0,70%
Pohjois-Karjala	1 251 000 €	29	0,69%
Kanta-Häme	1 133 000 €	20	0,62%
Keski-Pohjanmaa	1 036 000 €	56	0,57%
Lappi	903 000 €	26	0,50%
Etelä-Pohjanmaa	595 000 €	18	0,33%
Päijät-Häme	549 000 €	22	0,30%
Kainuu	108 000 €	7	0,06%
Etelä-Savo	81 000 €	13	0,04%
TOTAL	**182 110 000 €**	**4005**	

'Unknown' region refers to Finnish firms that no longer have a HQ address, most likely due to company being no longer active.

Firm-level analysis of angel-backed startups

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Data and methodology in firm-level analysis

1) FiBAN FINNISH BUSINESS ANGELS NETWORK

proprietary dataset of angel-backed firms

2) Finnish Startup Community

links the dataset to Statistics Finland's research databases

3)

2005 - 2023

panel data based on the financial statement information of firms

1) Data covers a subset of angel-backed firms, compiled from various sources

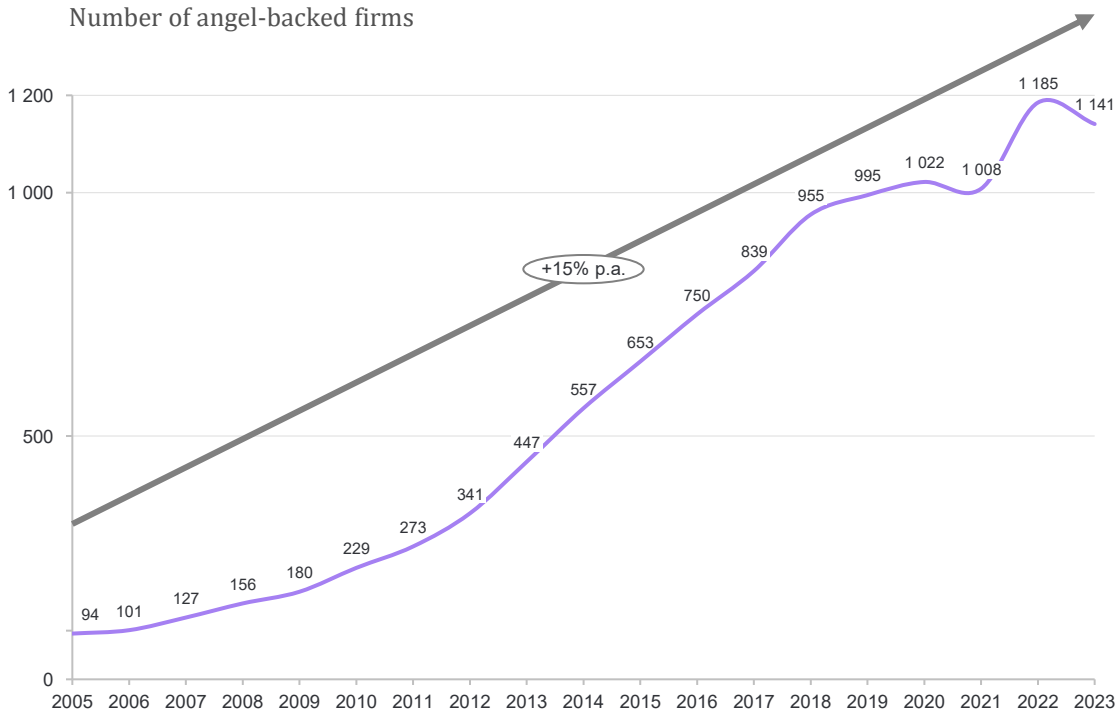
2) The Finnish Startup Community links angel-invested firms to Statistics Finland's administrative datasets.

3) The final dataset allows us to analyze how Finland's angel-backed firms develop and what characterizes them.

Number of angel-backed firms has been growing rapidly – currently we have 1,141 active firms operating in Finland

The number of active firms increased rapidly between 2005 and 2023, reflecting the overall expansion of Finland's angel investor ecosystem.

We observe a notable uptick in 2022, possibly linked to post-pandemic recovery and renewed investor activity. The decline in 2023 likely reflects the tightening financial conditions and reduced availability of capital.

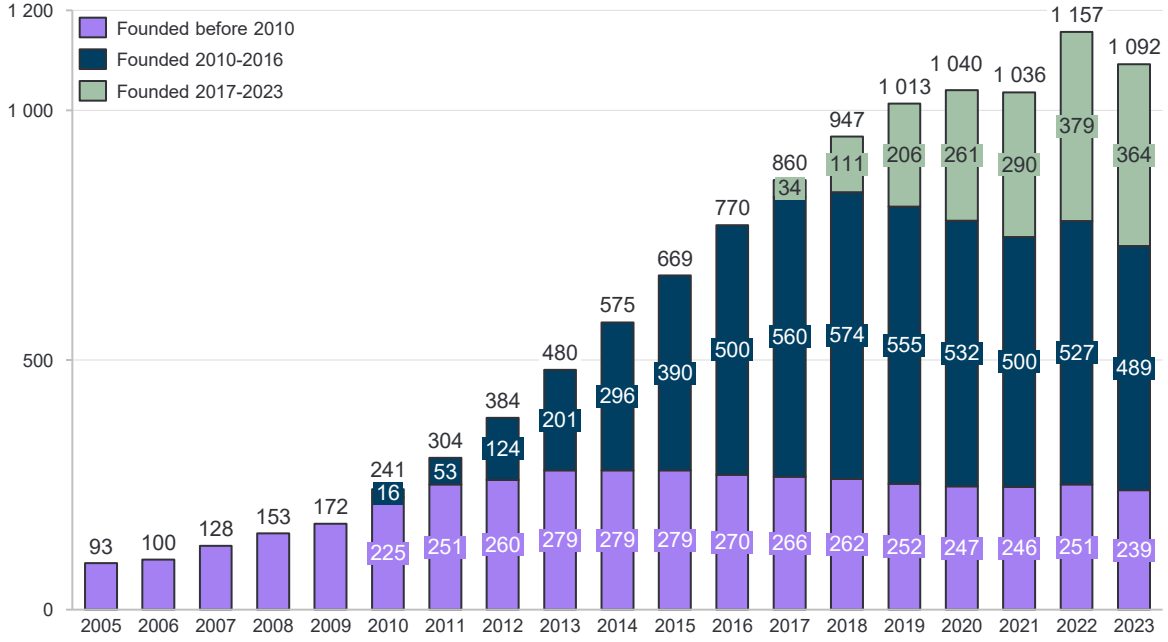


Number of angel-backed firms grew fastest in chort 2010-2016

We break down the data by vintage, based on the firm founding year. The 2010–2016 cohort stands out as the most active period for new angel-backed firms. This may reflect both a surge in investable startups and increased activity among angel investors during that time.

- Pre-2010 firms have been gradually declining, down about 14% from 2015 to 2023, reflecting the natural aging and exit of older startups.
- The 2010–2016 cohort peaked in 2018 with 574 active firms, but has since fallen by around 15%, signaling a maturing phase.
- The 2017–2023 cohort has grown nearly tenfold since 2017, rapidly catching up with earlier vintages. The slight dip in 2023 likely reflects the tightened funding environment.

Number of angel-backed firms by founding year



Due to some firms having an unknown founding year, the number of firms by vintage does not sum to total numbers of firms overall

Revenue of angel-backed firms surpassed 4 billion euros in 2023

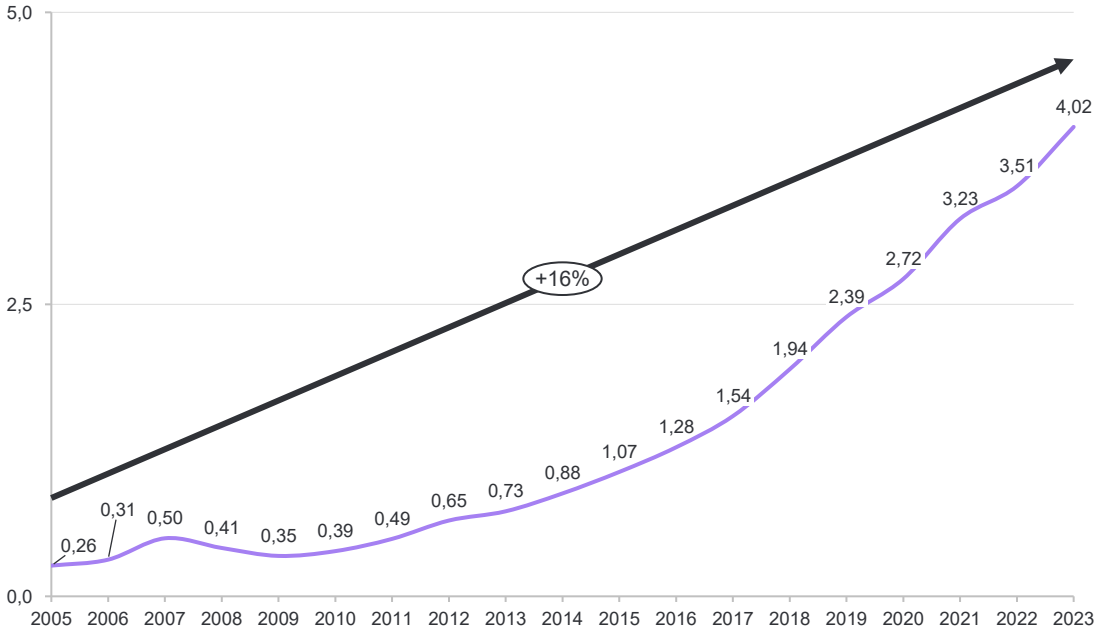
The revenue in angel-backed firms has increased rapidly. In 2005, the total revenue of these firms was only €263 million. By 2023, the total revenue of firms was already over €4 billion.

Total revenue of startup-based firms was €12.5 billion in 2023. Angel-backed firms make up almost one-third of all startups, although not all angel-backed firms are startups.

The revenue generated by angel-backed firms demonstrates that the sector has grown in less than 15 years from a small sector to a significant economic sector in Finland.

Between 2005 and 2023, total revenue of angel-backed firms increased by a factor of about 15. Using a log decomposition, around 90% of this increase is explained by the growth in the number of firms (from 93 to 1,092), and about 10% by higher average revenue per firm (from €2.8m to €3.7m).

Revenue of angel-backed firms, b€



Companies founded between 2010 and 2016 already generate more total revenue than companies before 2010

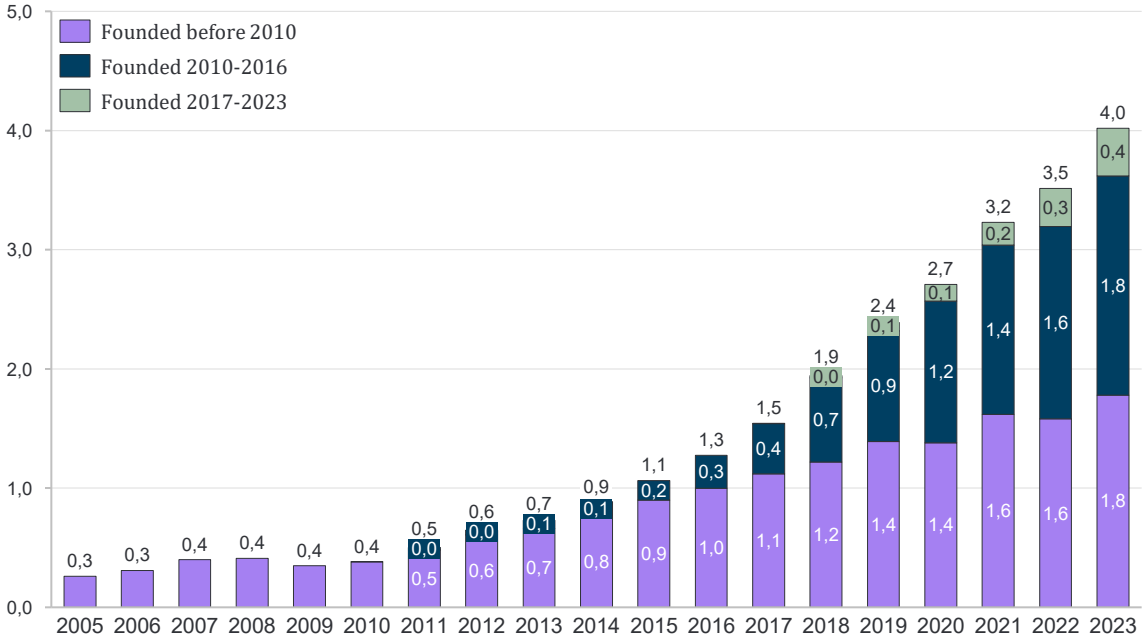
The revenue growth rate of firms founded before 2010 has been quite stable.

Interestingly, it seems that the revenue growth rate of companies founded between 2017-2023 – the youngest cohort-- is **faster** than the previous cohort.

This could mean that scaling firms has become easier, teams have become better or angel-investors know how to pick better firms to invest in.

Also, the angel-investors themselves could have become better in advising portfolio firms.

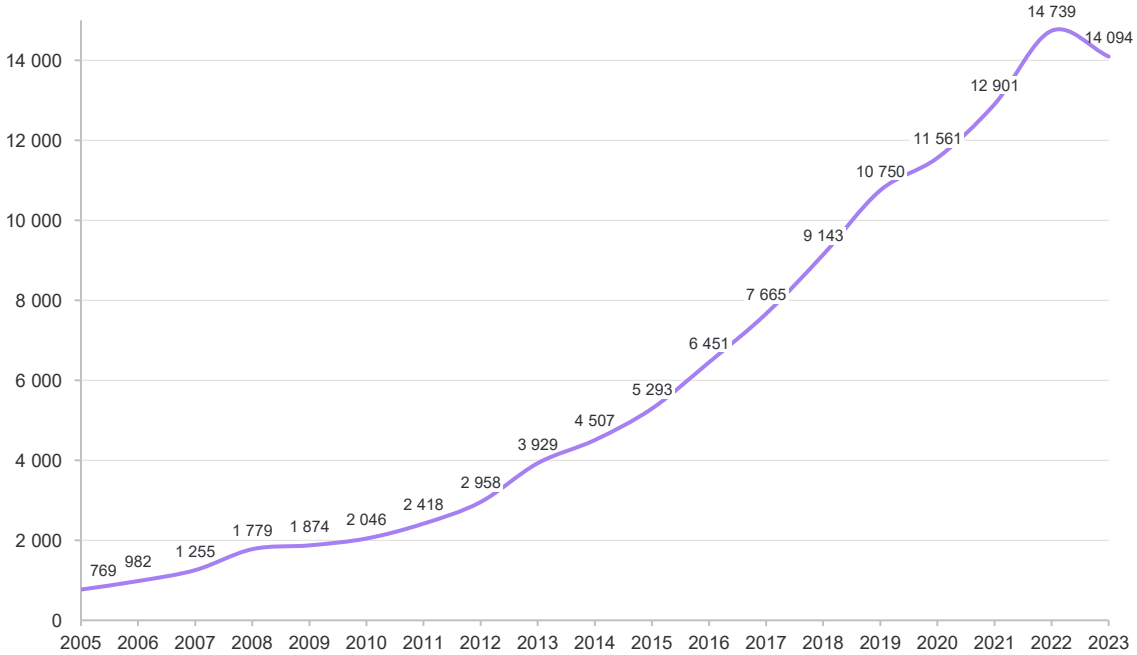
Revenue of angel-backed firms by vintage, b€



The total revenue by vintage does not sum to total revenue in slide 11, as some firms have an unknown founding year.

Employment effect of angel-invested firms is around 14 000

Number of employees working in angel-backed firms



Employment in angel-backed firms increased from 800 to 14,000 between 2005 and 2023. The trend in employment growth follows the number of firms.

In 2023, we saw the first year, where the number of employees decreased in the sector. The reason for the decrease in employment in 2023 might be the consequence of the decrease in number of active firms in the sector.

Finnish Startup Community estimates that Finnish startups employed around 47,000 employees in 2023, meaning 30% (measured by employee-count) have received angel funding.

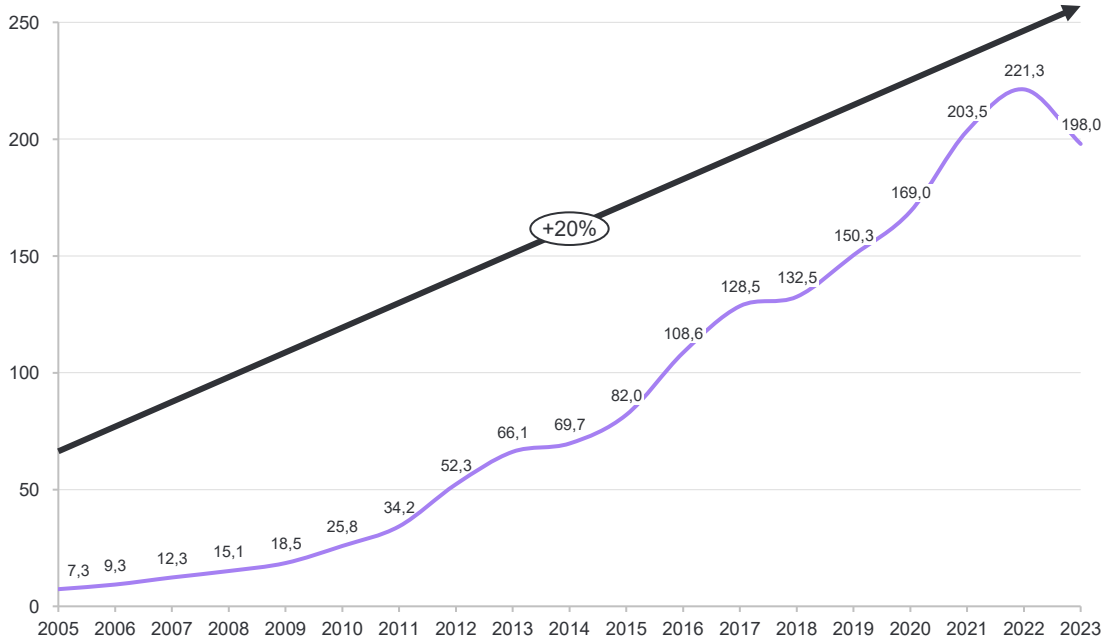
The R&D –expenses have been increasing at steady rate until sudden unexpected drop in 2023

The total R&D –expense of angel-backed firms was around € ~200 million in 2023. This is 30X increase from the start of the dataset in 2005.

If we exclude 2023, the annual growth rate is two percentage-points higher at around 22%.

Basic R&D –expenses, which is subset of total R&D –expenses, is relatively low at around € 0,9 million in 2023 (0,5% of total R&D –expenses).

Total R&D –expenses of angel-backed firms, millions €



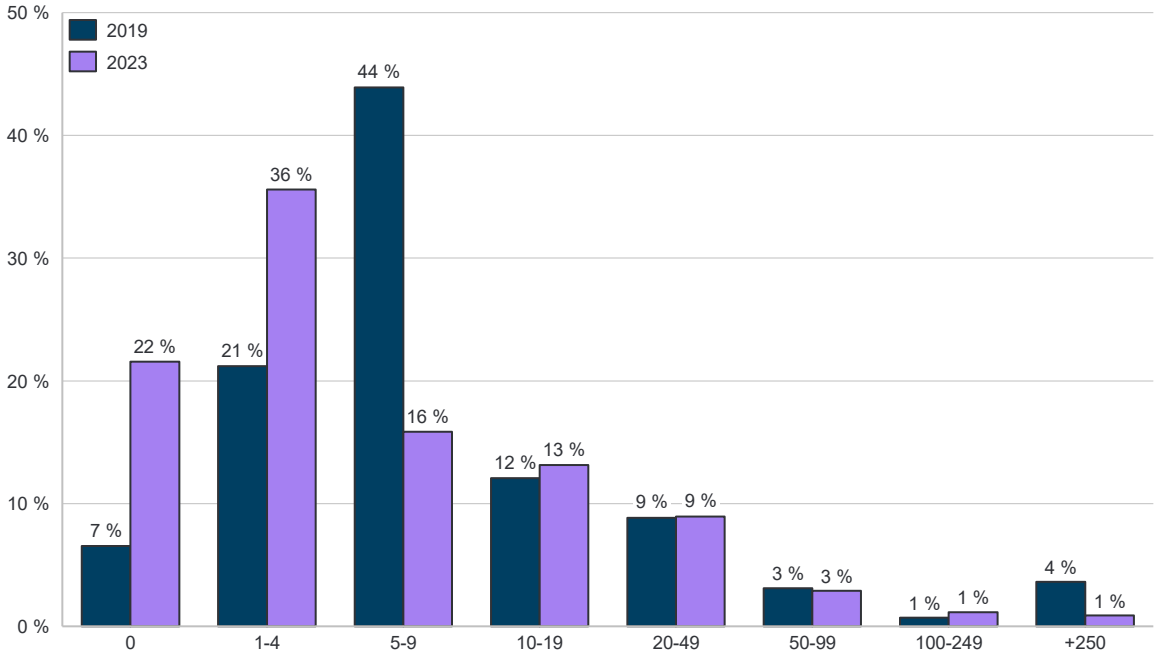
The composition of angel-backed firms has shifted toward smaller firms since 2019

In 2023, 73% of the firms in our dataset employed less than 10 people. Moreover, 246 firms had no employees.[1] Similarly the figure in 2019 was 72%.

However, the composition in these smaller firms has changed dramatically. In 2019, the mode firm size was 5-9 employees whereas in 2023, it's 1-4 employees.

Angel-backed firms, like all other startup firms aim for a scalable and fast-growing business model. Unintuitively, the number of firms employing 250 workers or more has shrunk from 2019.

Share of firms by enterprise size, 2019 & 2023



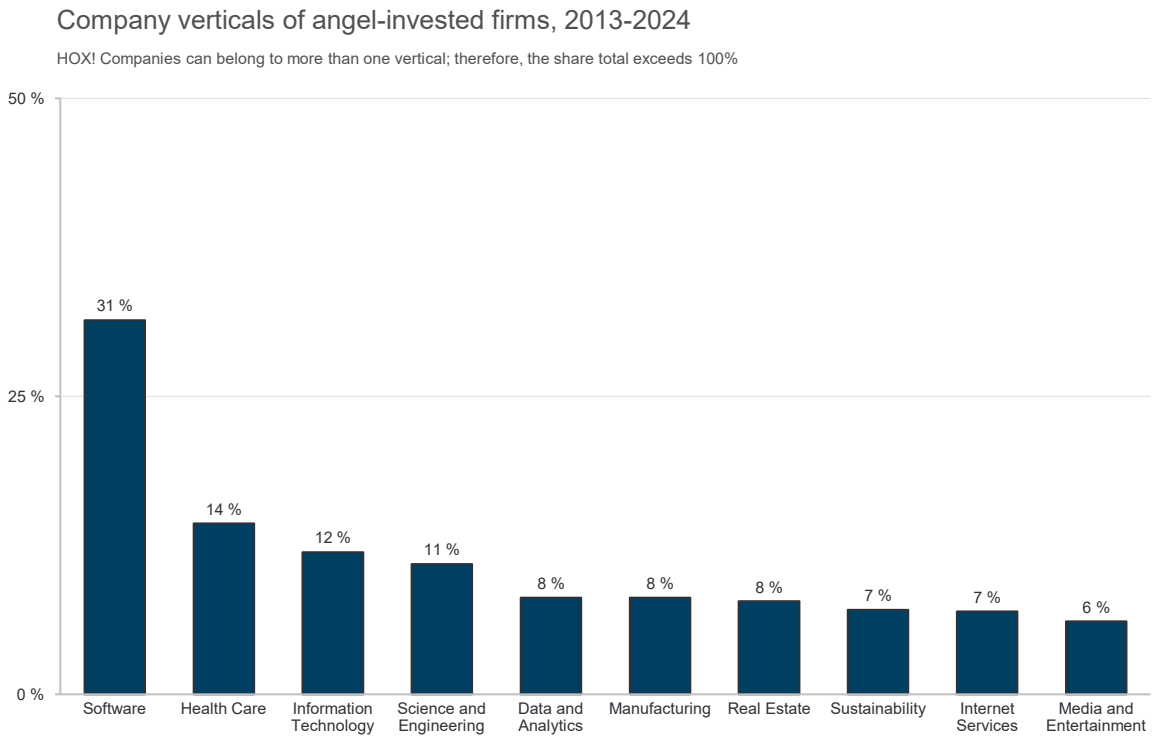
[1] Firms can have zero employees in the registry for example if founders are operating the firm without being officially employed by the firm. Also firms close to exiting via bankruptcy can have zero employees.

Tech verticals capture the majority of angel-investments

Almost third of angel-investments are going towards firms in software –sector.

Angel-investors seem to prefer technology-heavy companies with top five sectors all being technology-driven fields.

Industry information could be identified for only about half of the companies.



N=704. Company verticals are from Vainu. Information regarding funding rounds are from FiBAN.

Year 2025 is a record year for angel-backed firms with funding raised

Overall FiBAN angels' portfolio companies seems to be closing less funding rounds in recent years measured both total funding and number of deals happening.

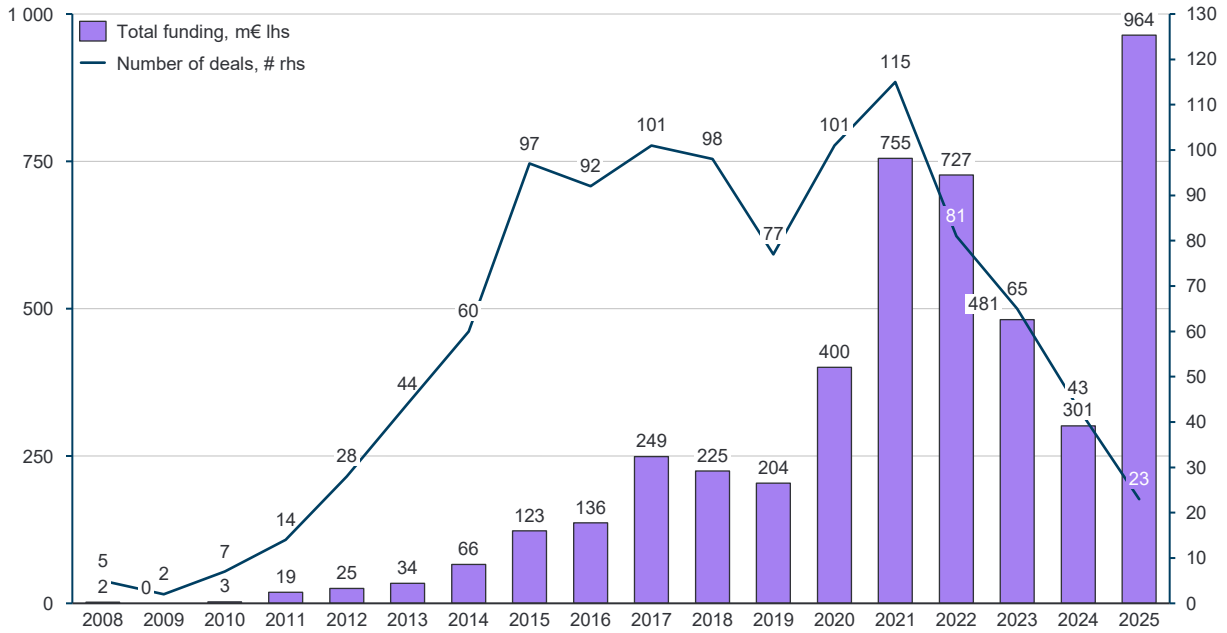
However, the average funding round size has increased significantly (+75% from 2020 to 2024).

Year 2025 currently seems to both exception and exceptional year with close to € 1 billion funding received with only total 23 rounds.

The total funding raised by angel-backed firms is around € 4.7b.

25% of companies of angel-backed firms in this subset have raised additional funding.

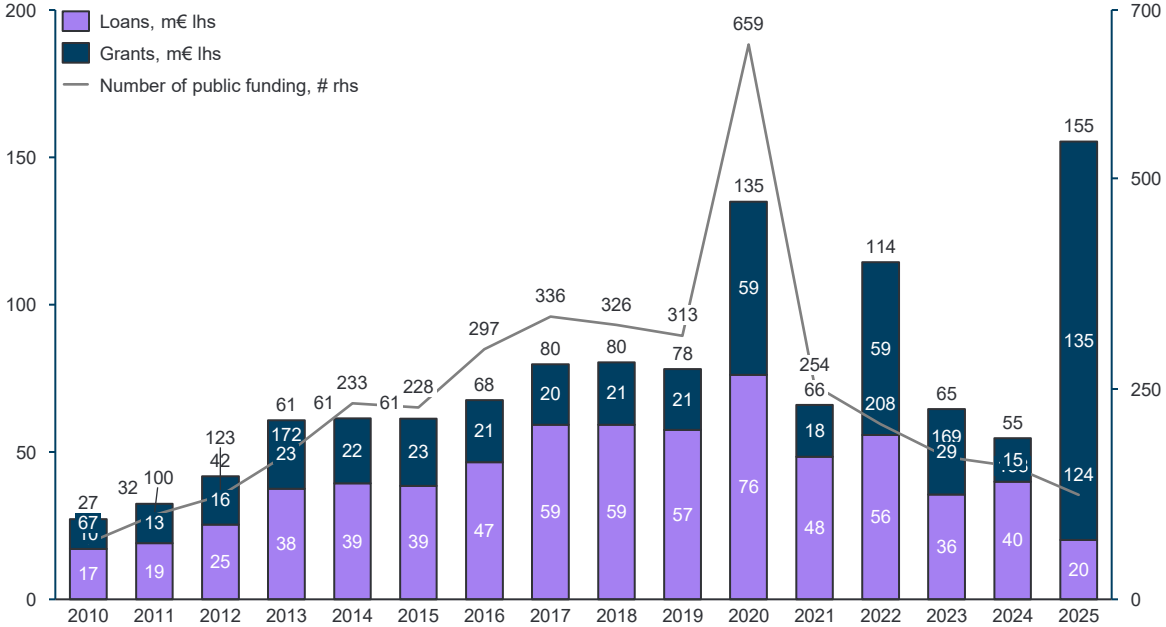
Total funding received and number of deals by angel-backed firms by year



Source for data is Tesi

Since 2010 angel-backed firms, have received over +1.1b€ of public funding

Total public funding received and number of public by angel-backed firms by year



Source for data is Business Finland's Tietopalvelu

Both total public funding and numbers of deals are on a slight downward trend.

Year 2025 is an exception because of a large one-off € +75m grant.

The peak in 2020 is explained by corona-related grants where government was forced to give out additional grants to avoid unnecessary and avoidable bankruptcies.

There were 1084 unique firms with public funding (77% of all companies in subset)

How does angel round affect firm performance

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Summary statistics about angel-invested firms at investment year

For the following slides, we analyze what happens to companies after they receive their first angel investment. We are interested in seeing what happens to revenue and employment after the first angel investment.

One could expect some delay in revenue growth as companies first need to invest the angel investments in R&D and scaling, for example. For employment, the effect could be quicker, as the additional funding is usually used for hiring.

In total, we have identified 2,535 unique angel-rounds. In some cases, we have multiple angel investors investing in a single company within a given year. From our data, we identify such cases 3,983.

Moreover, we identified 1,373 "*first angel rounds*". These are events where the firm receives its first angel round in our dataset.

On Table 1, we show summary statistics at the firm-level in the year funding is injected into the firm. At the first angel round, on average, the firm employs 7.8 workers and has a revenue of € 1,4 million. Interestingly, our data shows that in all angel rounds, the average revenue of a firm is smaller than in the first angel round.

For the follow-up rounds, we observe lower mean revenue for firms. The means for our table are calculated for only non-missing observations. Even if we replace the missing values with zeroes, the results are similar.

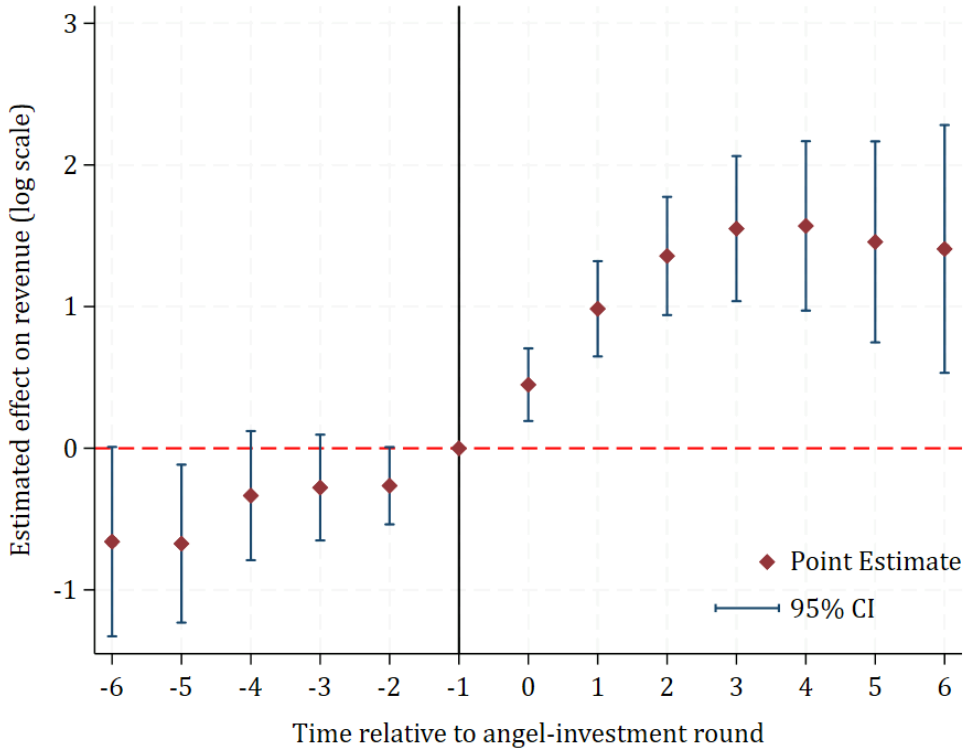
Variable	First angel round	Follow-up rounds	All angel rounds
Employees	7.8	10.1	9
Revenue	1,418,371	1,013,293	1,213,659
Wages	395,224	518,910	457 759
Value-added	223,139	97,286	159,686
Number of Firms	1,342	1,118	2,460

What happens to firms after angel investors jump in?

We estimate what happens to revenue of angel-backed startups before and after the angel investment has been made.

According to our findings, the revenue of startups increase rapidly in years after the investment round. Our result seem to indicate a strong positive effect of angel-investment.

However, these results should be interpreted with caution. The underlying panel is "unbalanced", meaning that fewer firms are observed in later years after investment. The large positive effects in the later periods may partly reflect sample composition, where only firms that survive and continue reporting data are included. In other words, the graph might capture both the impact of angel funding and survivorship bias among longer-lived startups.

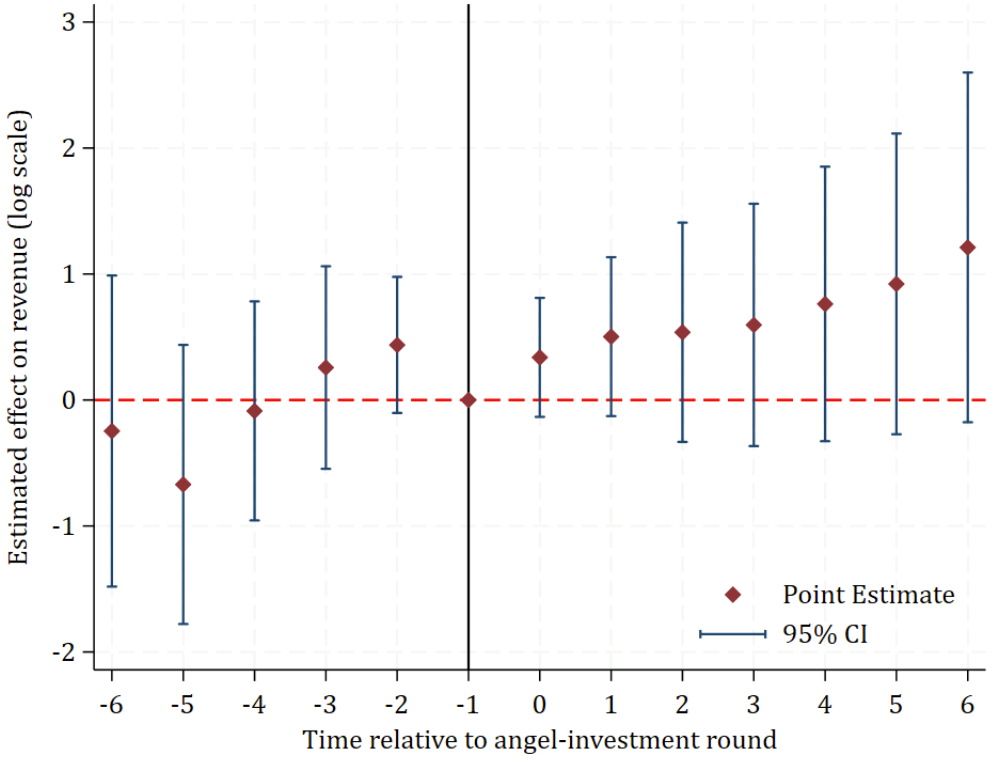


Effects disappear, when use only firms that can be observed each year before and after the angel round

We restrict the sample to startups that are observed in every year from $t = -6$ to $t = +6$ relative to the first angel round (a balanced panel).

With this stricter sample, the post-investment coefficients are much smaller and imprecise—most are not statistically different from zero. Confidence intervals widen substantially.

The large long-run gains in the earlier figure likely reflect composition/survivorship in an unbalanced panel (later years contain only certain firms). This check weakens the case for a clear causal revenue effect.



The employees behind angel-backed firms

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A few words about the data we used to analyze employees

For the following slides, we have created a so-called linked employer-employee dataset. This data includes information about the angel-backed firms (the employers) and people working for those angel-backed firms (the employees). Each person in our dataset is linked to their employer for each of the years. This dataset contains information from 2005 to 2022. Note that this data lags one year behind the firm-level data.

With this dataset, we can analyze the people who are employed by angel-backed firms. For example, how much salaries increase after an angel round. The overall results may differ from those at the firm-level data.

Descriptive statistics, employees in angel-backed firms in 2022

By linking employers and employees, we can examine who works in angel-backed companies. The data reveal that a typical employee is a Finnish male, approximately 40 years old, with an average annual total income of €73,000.

Roughly one-third of employees are women, and fewer than one in five have a foreign background[1].

The average annual salary income is about 59,000 euros, while the annual average capital income is around 14,000 euros. However, capital gains are highly concentrated — most employees receive little or none, while a small number earn substantially more, as shown by the large gap between the mean and the 75th percentile.

	Age	Salary income	Capital income	Total pre-tax income	Female, %	Foreign origin, %
Mean	38	59,032	14,143	73,175	32	18
P25	30	34,447	0	34,945		
P75	45	69,288	325	71,938		
N	15,363	15,363	15,363	15,363		

[1] A person has foreign origin if he was born outside of Finland or was born in Finland, but had foreign background.

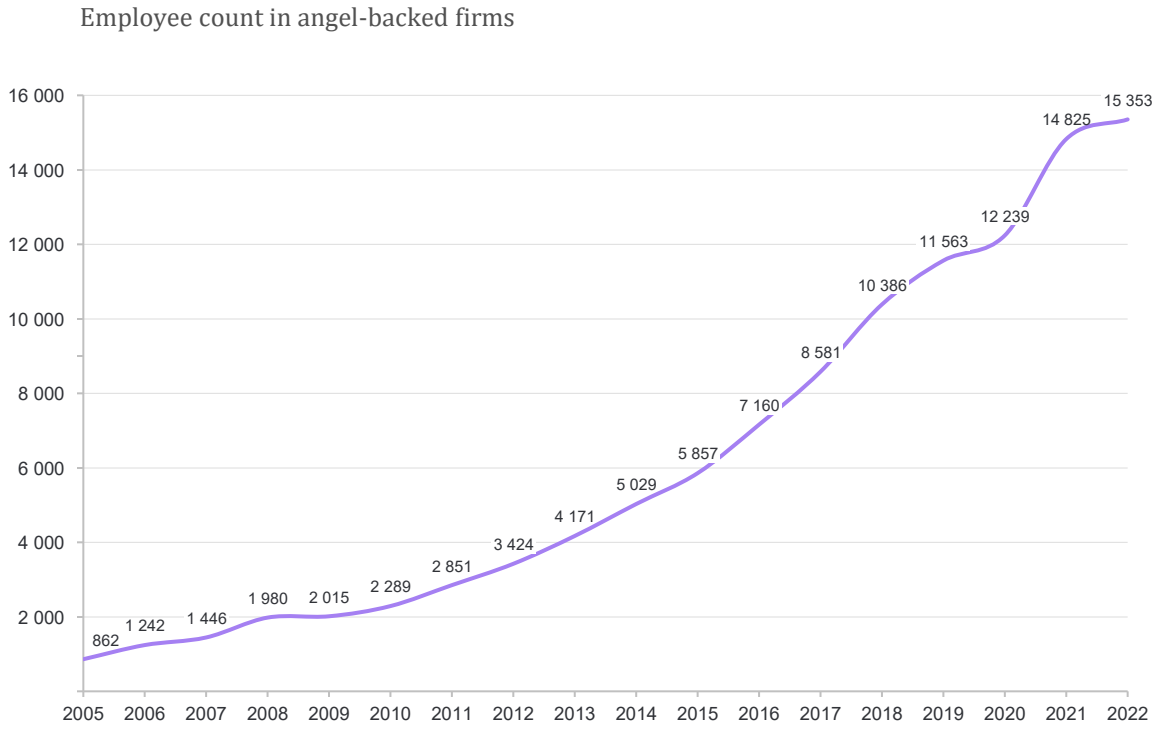
Angel-backed firms employ already over 15 000 people

Using our linked employer–employee dataset, we can identify individual workers in angel-backed firms.

In 2005, only 862 employees were identified, but by 2022, the number had grown to over 15,000. This figure is based on linked administrative records and therefore differs slightly from earlier firm-level statistics.

The steady and accelerating growth in employment suggests that the angel-backed startup sector has expanded significantly over the past two decades. The sharp increase after 2015 likely reflects both a maturing startup ecosystem and a broader base of firms receiving angel investment.

Overall, the data indicate that angel-backed firms have become an increasingly important source of high-growth employment in Finland's innovation economy.



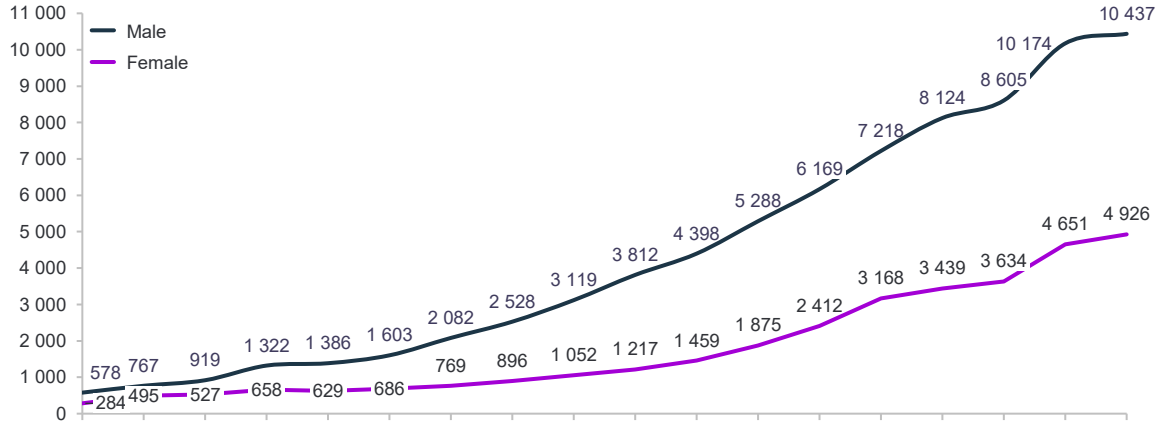
Majority of workers in angel-backed firms are male – the share of women has been increasing for the past 7 years

Almost two-thirds of employees in Finland's angel-backed firms are men, while one-third are women.

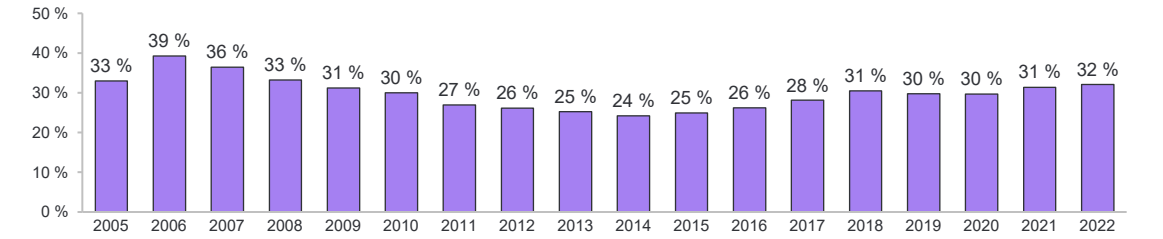
This reflects the broader structure of the startup ecosystem: many angel-backed firms operate in technology-intensive fields, which tend to be male-dominated industries.

However, the share of women has been steadily increasing since around 2015, suggesting that the gender gap in the sector is gradually narrowing as the startup landscape becomes more diverse.

Number of workers by gender



Share of females



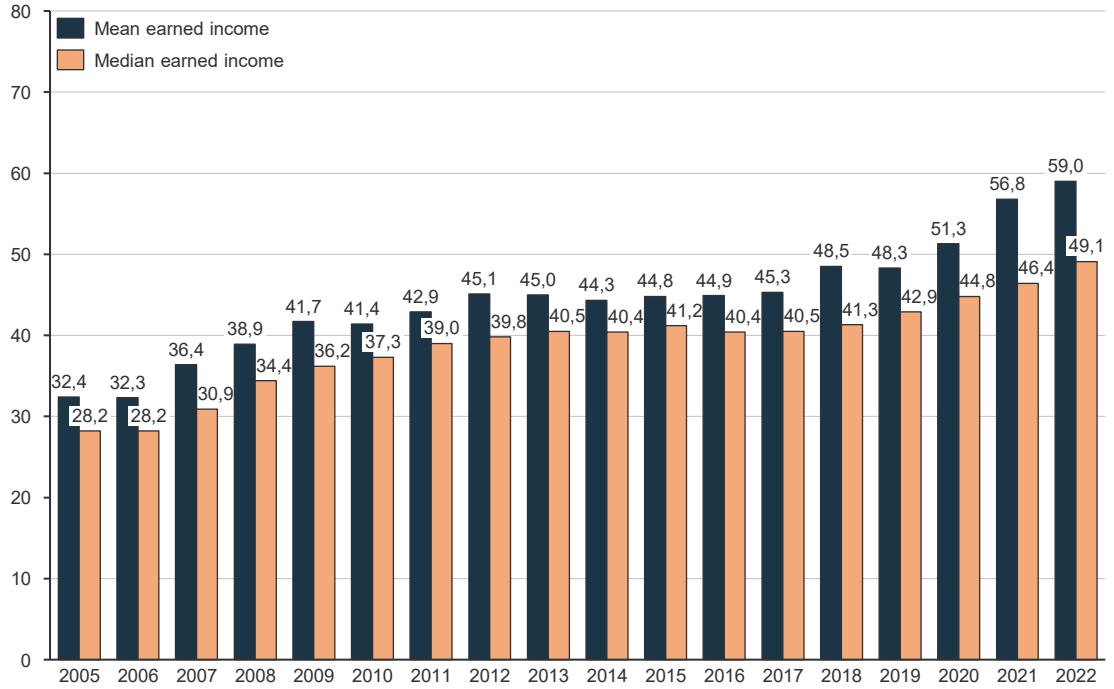
Earned income in angel-backed firms has increased by 27 000€ in the last 17 years

Mean earned incomes in angel-backed firms have increased steadily over time. In 2005, the mean annual earned income was around 32,000 euros, rising to nearly 59,000 euros by 2022.

The median earned income follows a similar trend but remains below the mean, indicating that some high-earning individuals pull up the average.

The figures are not adjusted for inflation.

Earned income of employees working in angel-backed companies, k€



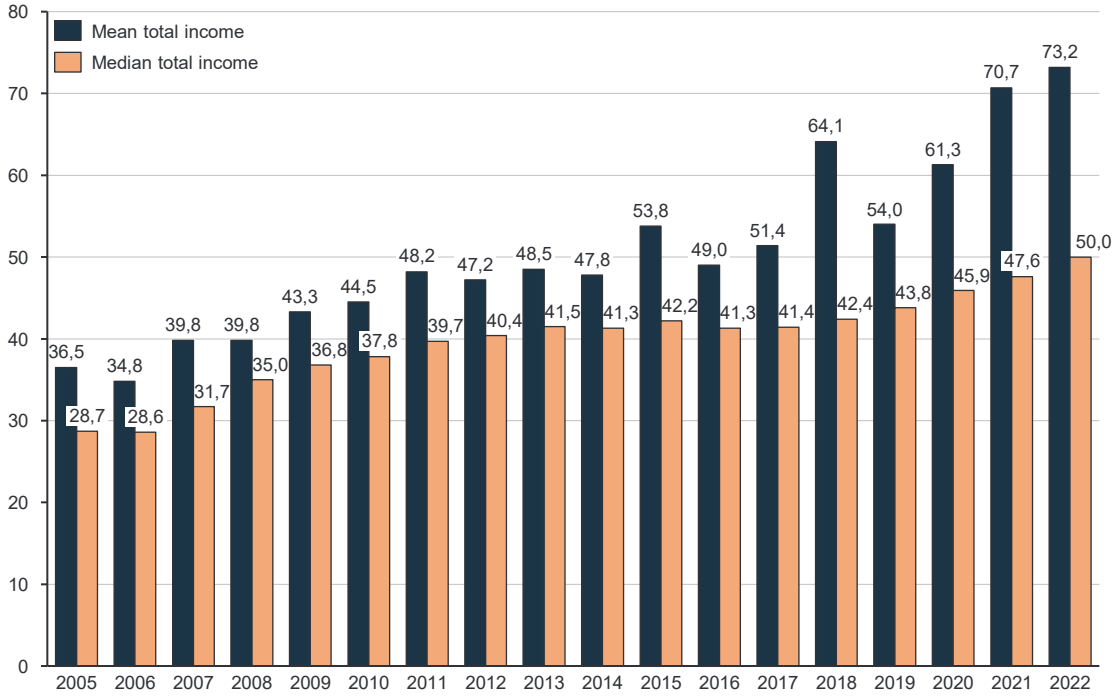
Total income, which combines salary income and capital gains, is increasing at low but steady rate

By 2022, the mean total annual income of employees in angel-backed firms exceeded € 73,000.

Compared to salary income alone, total income shows greater variation, reflecting the impact of capital gains from ownership stakes. The divergence between mean and median total income widens notably after 2014, likely driven by successful exits and liquidity events within the angel-backed startup sector.

This pattern highlights how wealth creation in startups is concentrated, with a subset of employees benefiting significantly from capital income in addition to wages.

Annual total income of employees working in angel-backed companies, k€

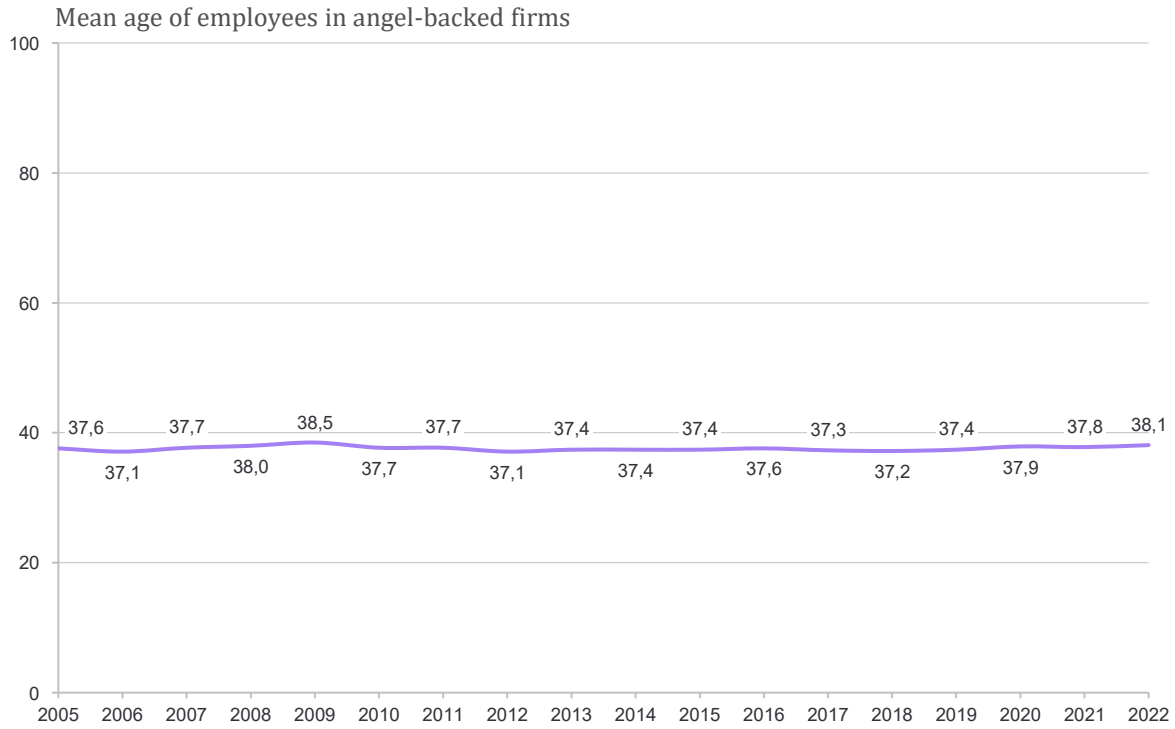


Total income consists of earned income and capital gains

Mean age of employees has stayed the same in last 17 years

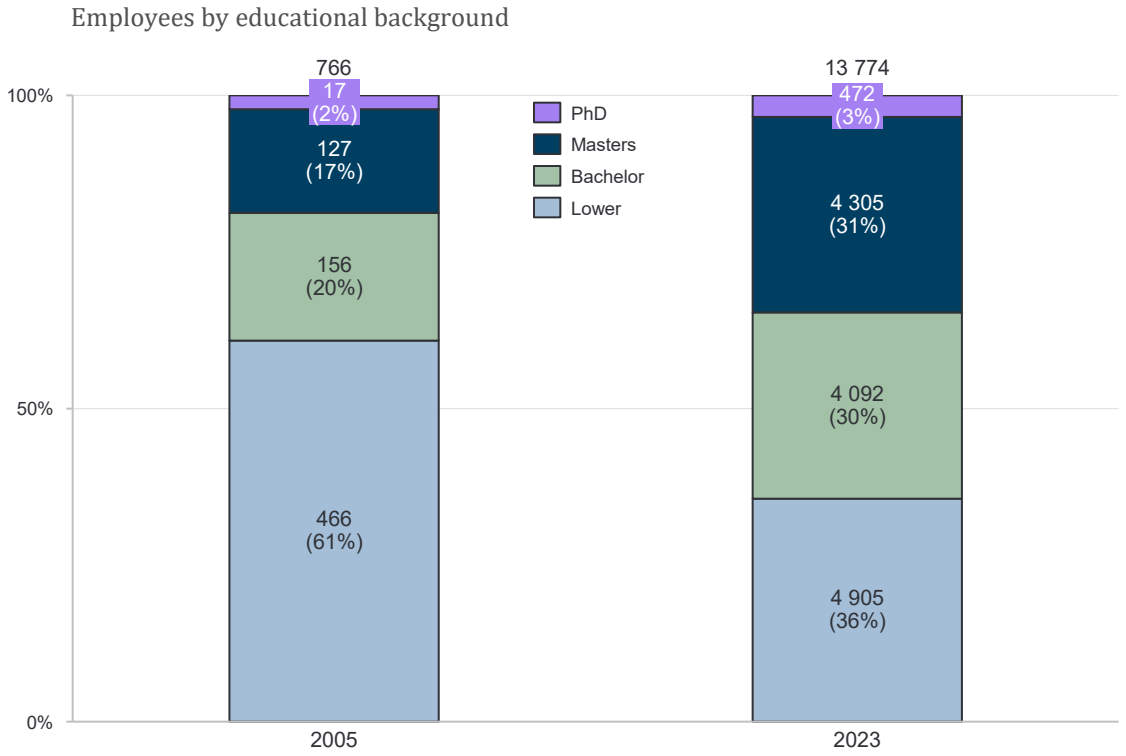
The mean age of employees employed by angel-backed firms was approximately 38 years in 2022.

Moreover, the mean age of employees operating has stayed relatively unchanged during the timeline of our study.



Meanwhile the share of lower – non tertiary education has decreased

The share of non-tertiary educated workers has decreased while the ecosystem has grown from 2005 to 2025.

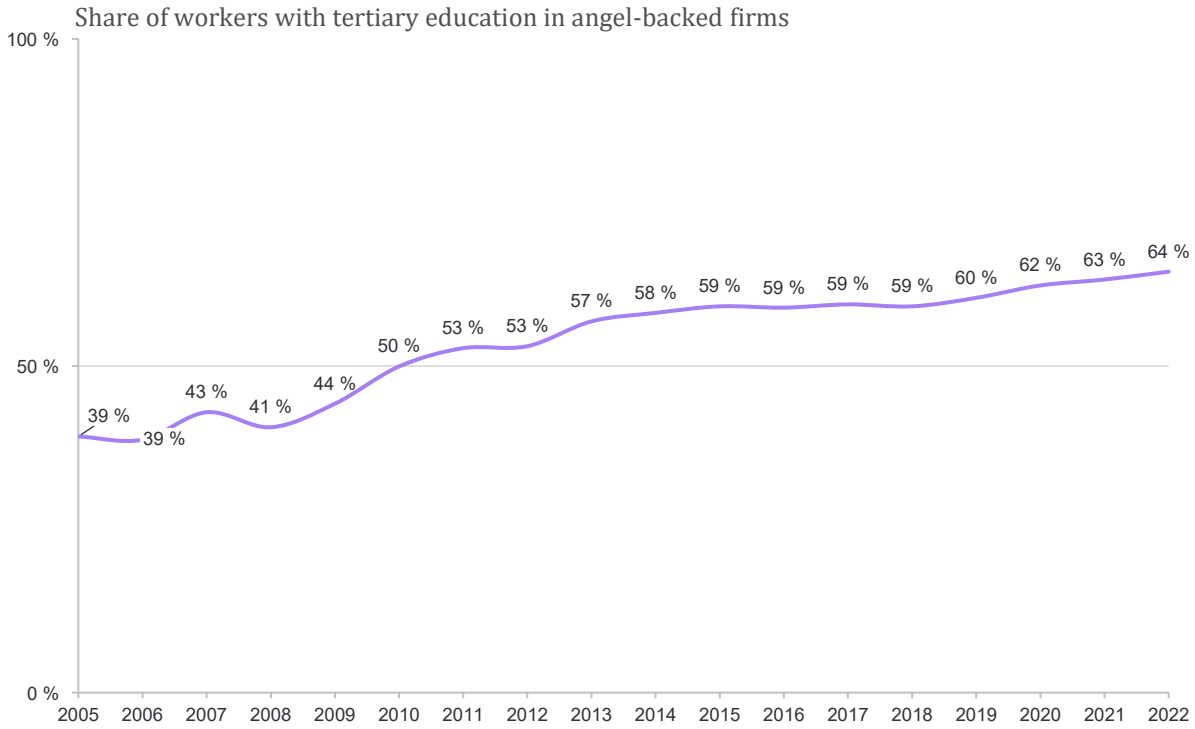


Highly educated workers are important for angel-backed firms

The share of employees with tertiary education in angel-backed firms has increased significantly — from approximately 40% in 2005 to over 64% in 2022. This reflects Finland's broader trend toward a more knowledge-intensive startup ecosystem.

Angel-backed firms appear to be increasingly reliant on highly educated talent, which is crucial for developing innovative products and scaling globally.

This shift likely indicates that investors are prioritizing firms with strong human capital, especially in technology and research-driven sectors where advanced skills are a key competitive advantage.



Note: Some observations in our dataset have missing information on education level. For example in 2022 we had 1589 missing observations in education level variable.

For more information, please contact

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