

Current status of Finnish Health and Life Sciences (VC) sector

How to invest in Health & Life Sciences
event 19.5.2020

Joni Karsikas

Health & Life Sciences VC in Finland

Recent highlights, year 2021 in brief

Selected highlights from the Finnish market in 2021

Financing rounds: larger rounds mostly in Digital Health



Meru Health secures \$38M in equity and debt for 'holistic' online mental health platform

Mary Ann Azevedo @bayareawriter / 4:00 PM GMT+3 • September 23, 2021

 Comment



Workplace psychological support provider Auntie takes in EUR10m from Verdane to strengthen foothold in Europe and support product development

Selected highlights from the Finnish market in 2021

Financing rounds: larger rounds mostly in Digital Health

Trade sales / exits: landmark deals in Life Sciences & Diagnostics, something we haven't seen in a while

Hologic to Acquire Mobidiag, Innovator in Near-Patient, Acute Care Diagnostic Testing, for Approximately \$795 Million

-- Transaction Will Accelerate Global Growth of Mobidiag's Differentiated Molecular Platform, which Offers Ease of Use, Multiplex Capability and Rapid Turnaround Time --

Organon to Snap up Forendo Pharma for \$954M

CONTRIBUTOR
Devina Lohia — [TipRanks](#)

PUBLISHED
NOV 12, 2021 12:36PM EST

Mindray to acquire Finnish company HyTest for \$661m

By NS Medical Staff Writer 17 May 2021

DIAGNOSTIC DEVICES IN VITRO DIAGNOSTIC

HyTest supplies raw materials used in tests for diseases such as Covid-19

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IPOs: increased activity, complementing VC funding path



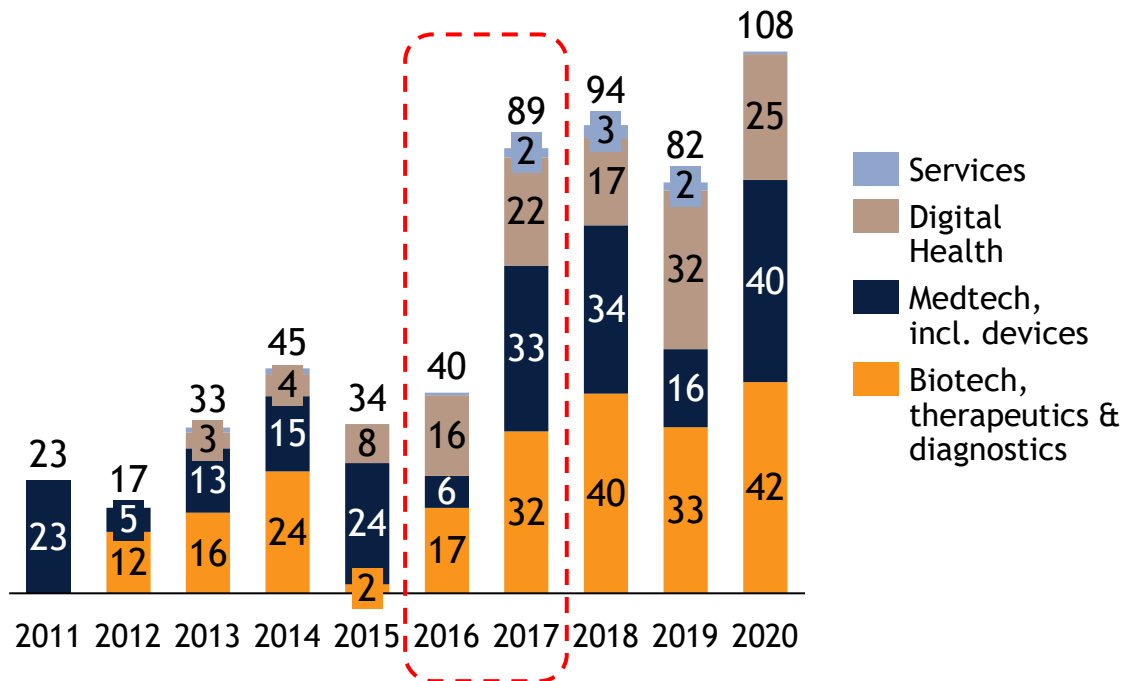
Finnish VC ecosystem characteristics

Longer term trends & global comparison

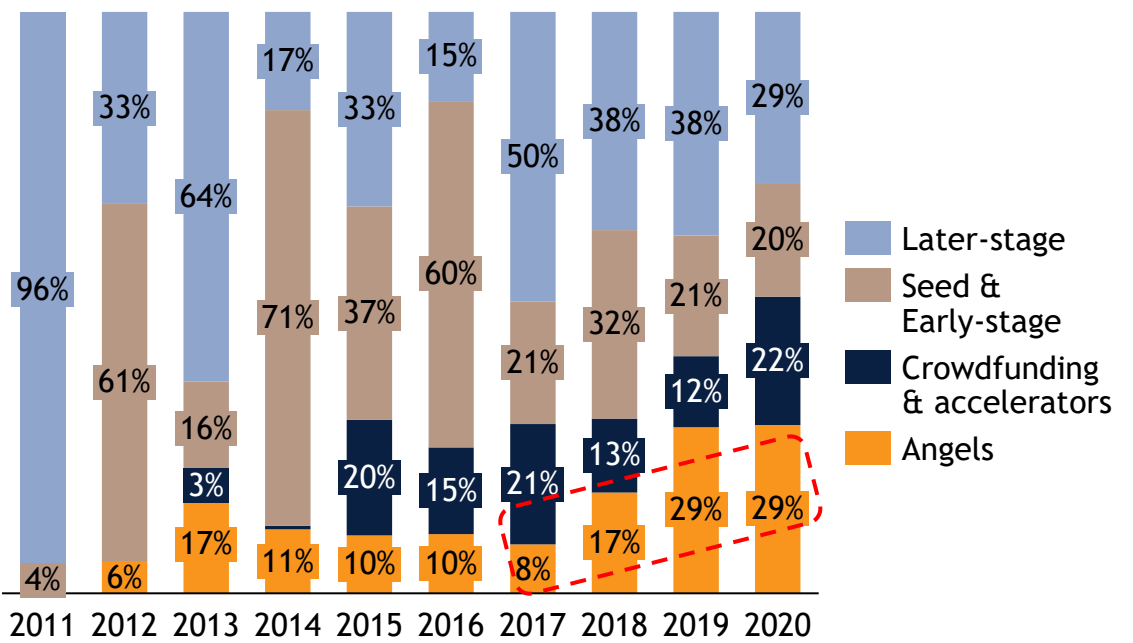
Finnish investment activity development before 2021

Read more:
https://www.tesi.fi/userassets/uploads/2021/12/Tesi_Health-Life-Sciences-VC-market-in-Finland.pdf

Finnish Health & Life Sciences investment volumes (m€)
 By sub-sector



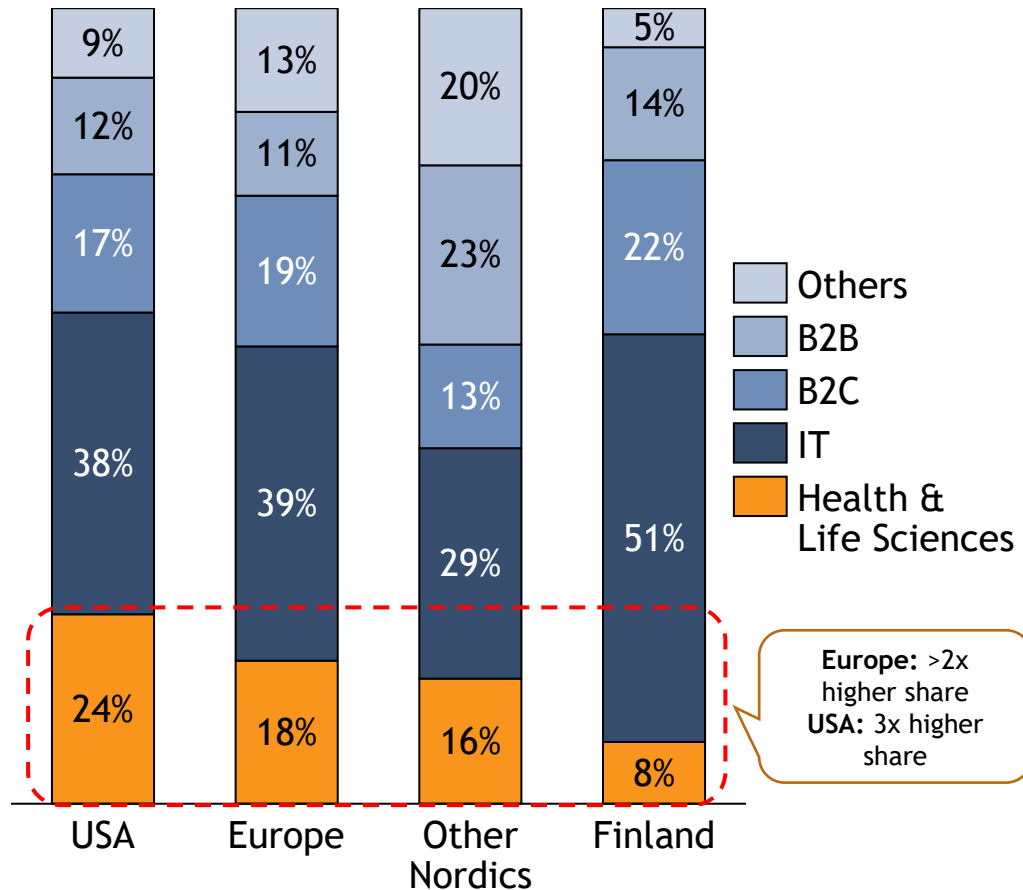
Finnish Health & Life Sciences investment volumes (m€)
 By stage and type



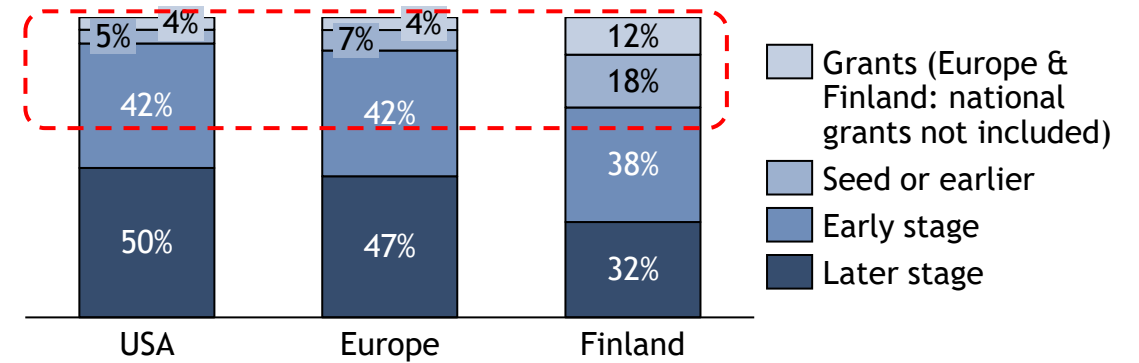
- A clear step-up in investment volumes in 2017, but since then, limited growth until 2020. 2021 changes the trend greatly.
 - Emergence of digital health appr. five years ago: currently "third pillar" of local Health & Life Sciences ecosystem.
- Significantly increased activity and interest among angel investors for the last few years. Deal flow expected to mature.
 - Traditional Venture Capital still lagging behind. There has been a shortage of local sector specialist investors but the situation is improving.

There are investment opportunities in Finnish Health & Life Sciences sector as the ecosystem and the start-ups are maturing

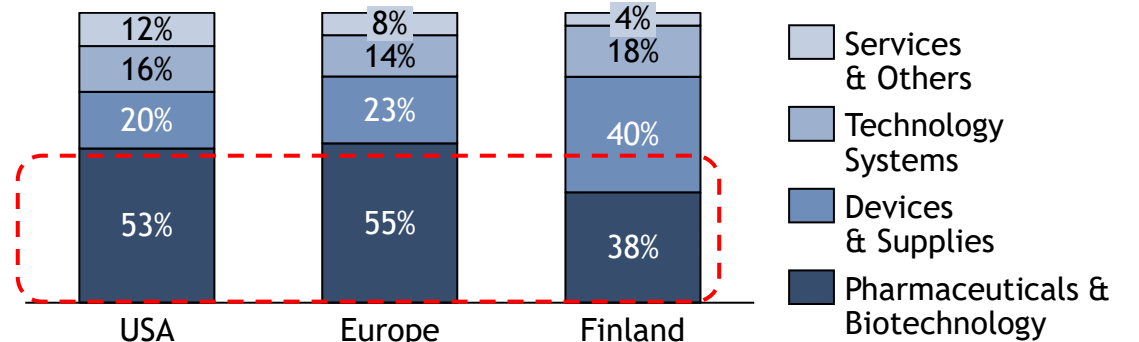
Sector distribution of VC investment volumes (€), 2018-2020



Health and Life Sciences
By investment phase 2018-2020



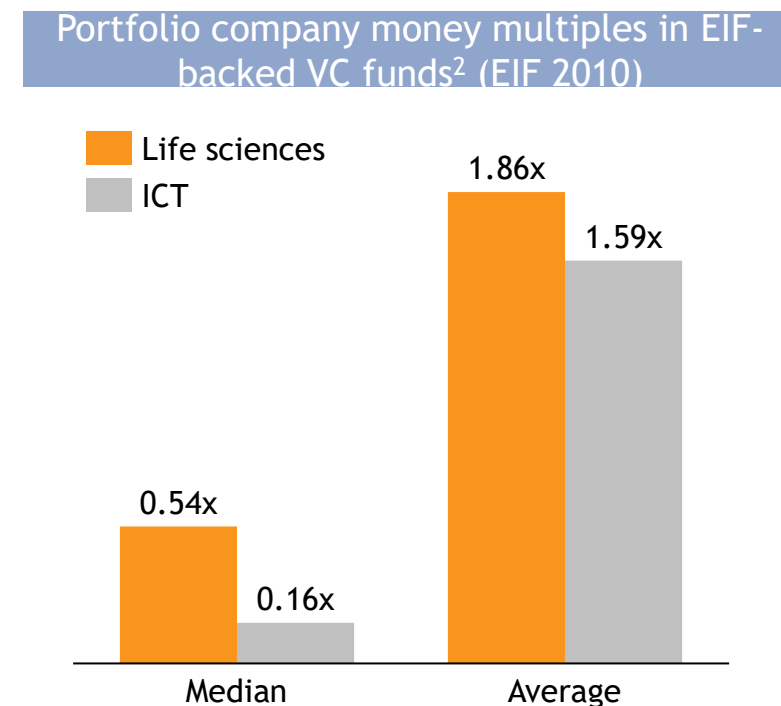
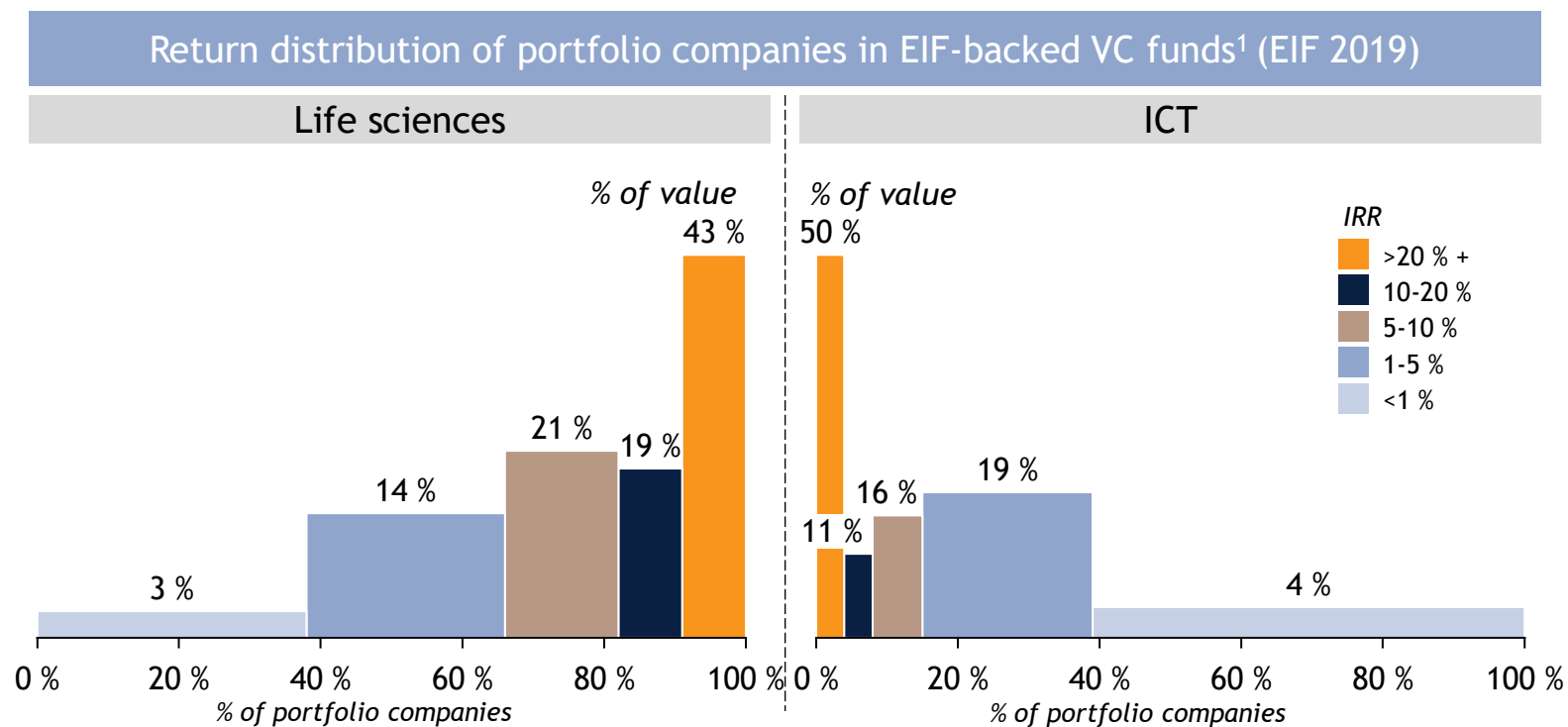
Health and Life Sciences
By sub-sector 2018-2020



Returns: reasons for optimism?
Health & Life Sciences funds, Finnish VC funds

European Health & Life Science VC funds have outperformed their ICT peers historically

- Based on European Investment Fund's (EIF) data from their fund portfolio, Life Sciences has outperformed ICT in 2018-2020. ICT bounced back in 2021 but longer term trends remain to be seen: the macro environment has changed drastically since that.
- It is often reasoned that Life Sciences investments are significantly riskier than tech investments and the returns are binary. EIF's data from 2019 would argue otherwise.



50% of new Finnish VC fund capital belongs to the best quartile compared to the European reference group

Read more:
<https://www.tesi.fi/userassets/uploads/2022/05/Survey-of-investment-returns-2022.pdf>

- Every year Tesi publishes a survey of investment returns in the Finnish venture capital and private equity market (VC & PE). For sake of clarity, the results include all sectors, not specifically Health & Life Sciences.
- The Finnish venture capital market is performing well. Newer funds have performed exceptionally well in the European comparison.
- Most of the improvement in returns occurred during 2020 and 2021. It remains to be seen whether the positive sentiment will continue and the funds in the end produce returns of above the European average for their investors.

Returns of Finnish VC funds, vintages 2009-2015

