



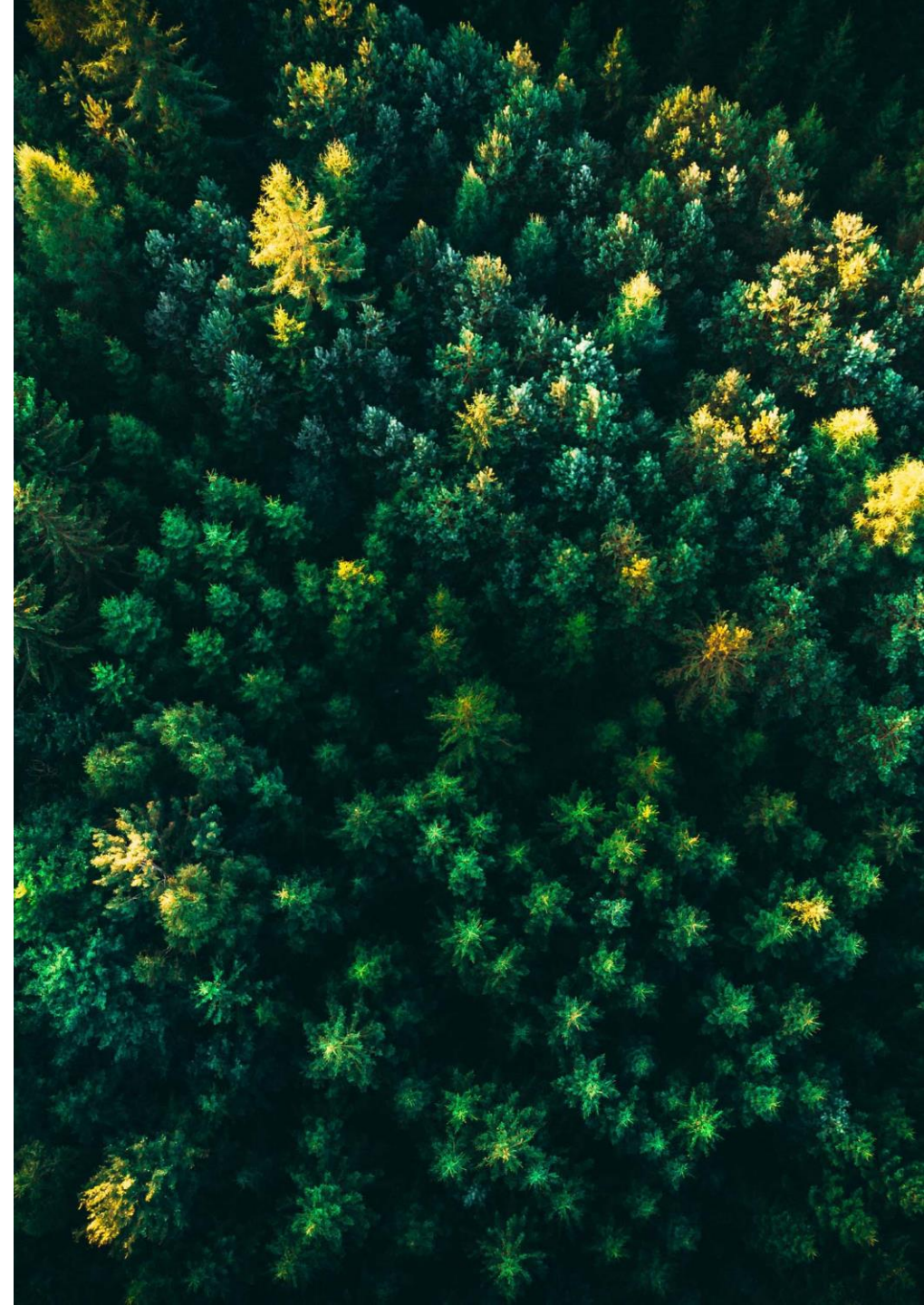
# *State of Impact Startups 2022*

September 2022

# *Why this report*

What are the latest developments in the Nordics when it comes to creating and growing innovative startups working to produce a sustainable impact on the world? In this report you will see the most detailed analysis of the Nordic impact ecosystem to date, based on data from 1,489 impact startups and 1,667 funding rounds.

The Nordics have a strong reputation for creating impact startups. But what can the latest data show us? Do Nordic countries still over-index for impact innovation? Can impact startups offer investment returns as well as real world change? What are the latest trends in Deep-Tech impact startups and Green Growth startups? Every year, Danske Bank in cooperation with Dealroom, supports the creation of a report examining in detail development of the Nordic impact startup scene, to assess and nuance the common perception of the ecosystem. Predictably, not all myths hold true. Find out which ones (still) do and don't in this report.





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# *Impact needs to have sustainability at its core*

In this report, an impact startup is a company that addresses one or more UN Sustainable Development Goal (SDGs) at the core of its business and the potential to scale. Our litmus test: if you remove the impact you also remove the business.

Green Growth refers to startups specifically seeking to improve environmental conditions as part of their main business activities.

Impact and Green Growth both sit within a broader framework of Environmental, Social and Corporate Governance (ESG) which seeks to reduce the harmful impact of business.

The full methodology and definitions are available in the appendix glossary.



## Myth 1

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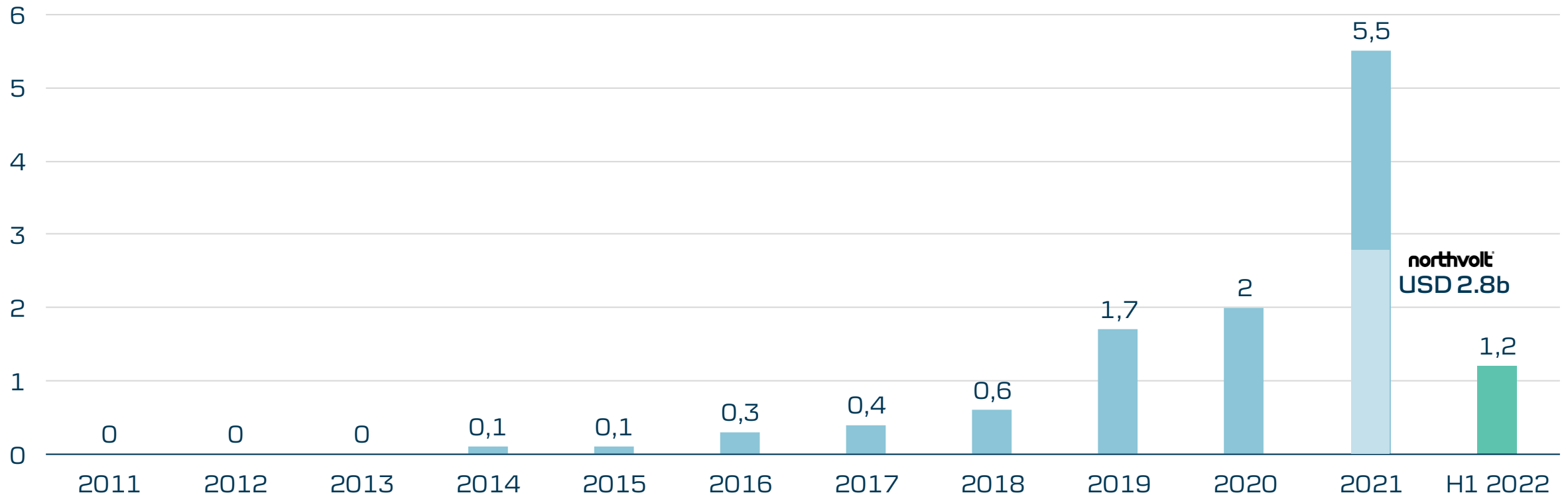
*“Nordic countries are global leaders within the impact space.”*

Partially  
true

*Investment into Nordic impact startups skyrocketed to \$5.5B in 2021, driven by Northvolt \$2.8B funding round. However, the combined region trails behind the UK.*

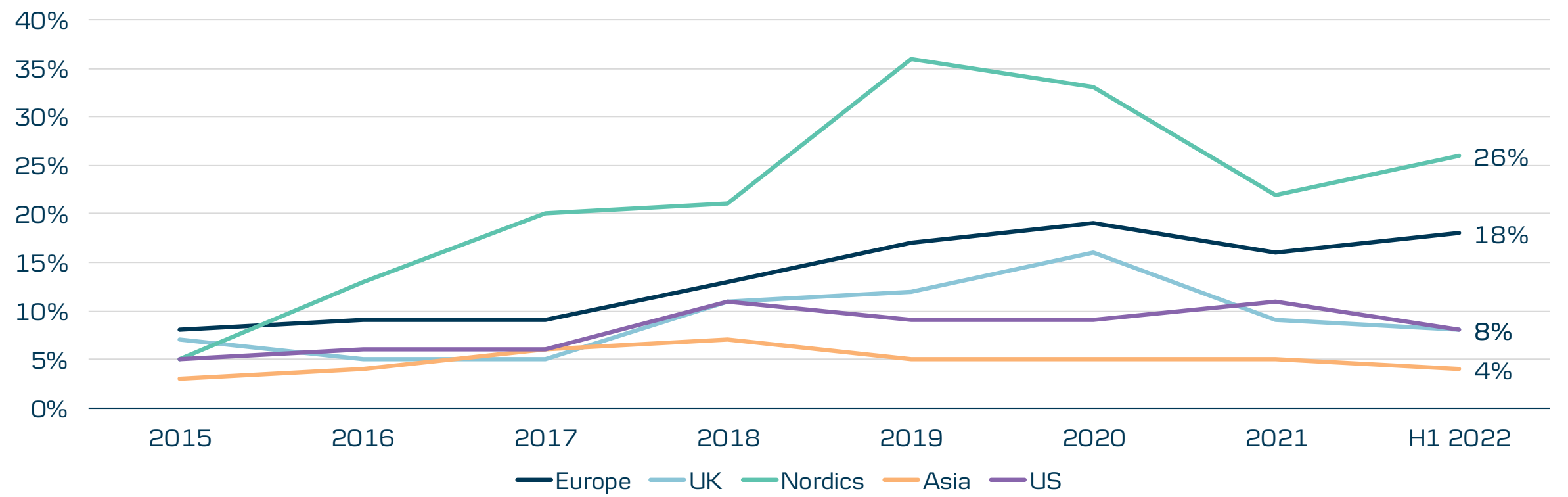
## *Nordic impact startups posted a huge funding record in 2021. Amid a global VC pullback this year, 2022 is still on track to 'beat' 2020 levels*

Yearly venture capital investment into Nordic impact startups; USD**b**



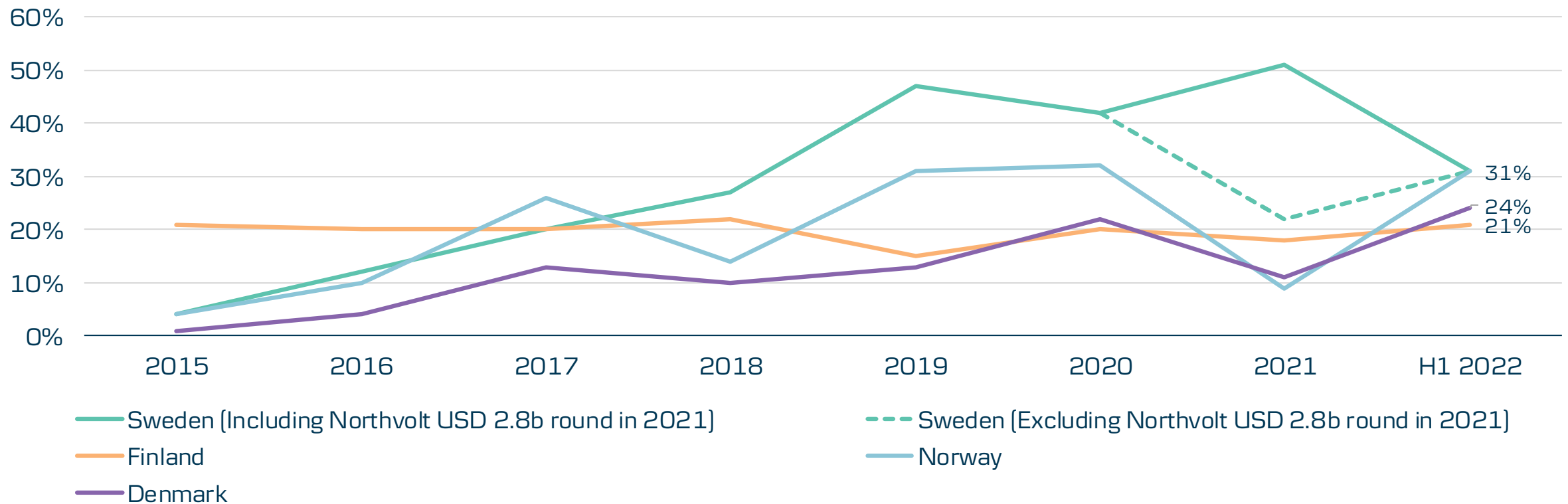
*The Nordics continues to be a very impact-focused ecosystem. Almost a third of funding goes to impact startups, more than any other region*

Impact investment as a percentage of total VC investment; Excluding Northvolt USD 2.8b in 2021



## Sweden and Norway are the most impact-focussed ecosystems among the Nordic nations

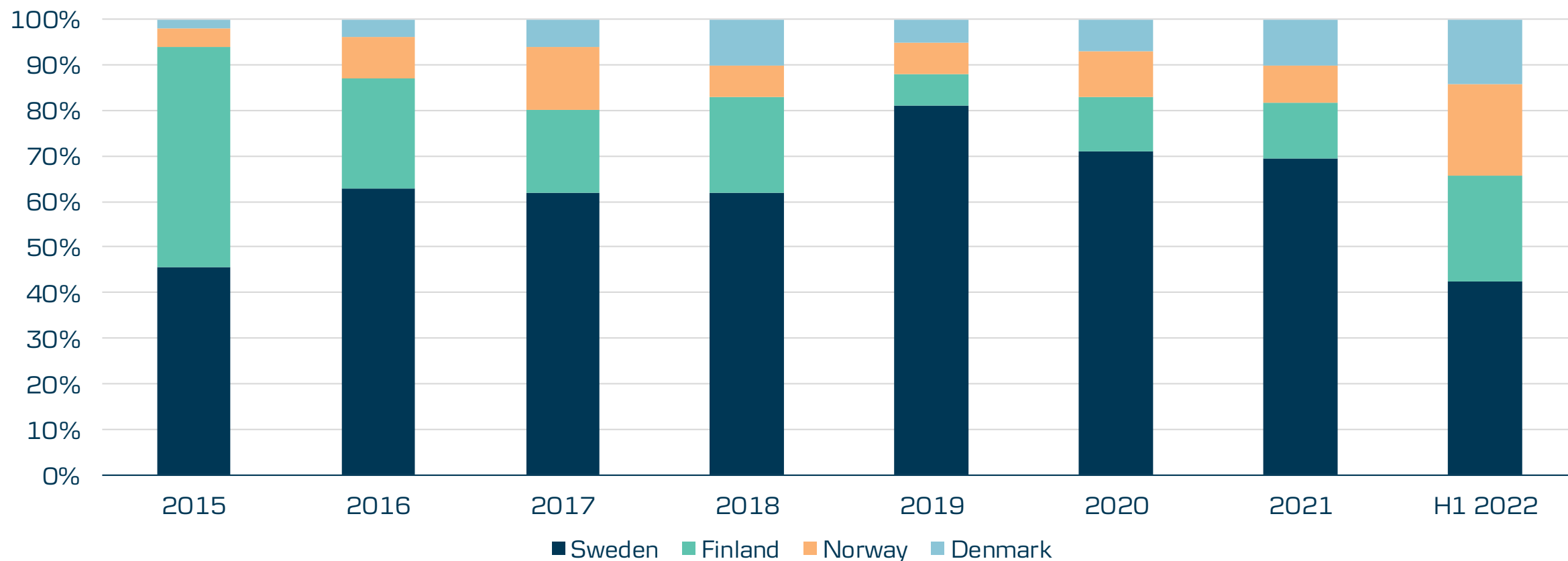
Impact investment as a percentage of total VC investment; Excluding Northvolt USD 2.8b in 2021





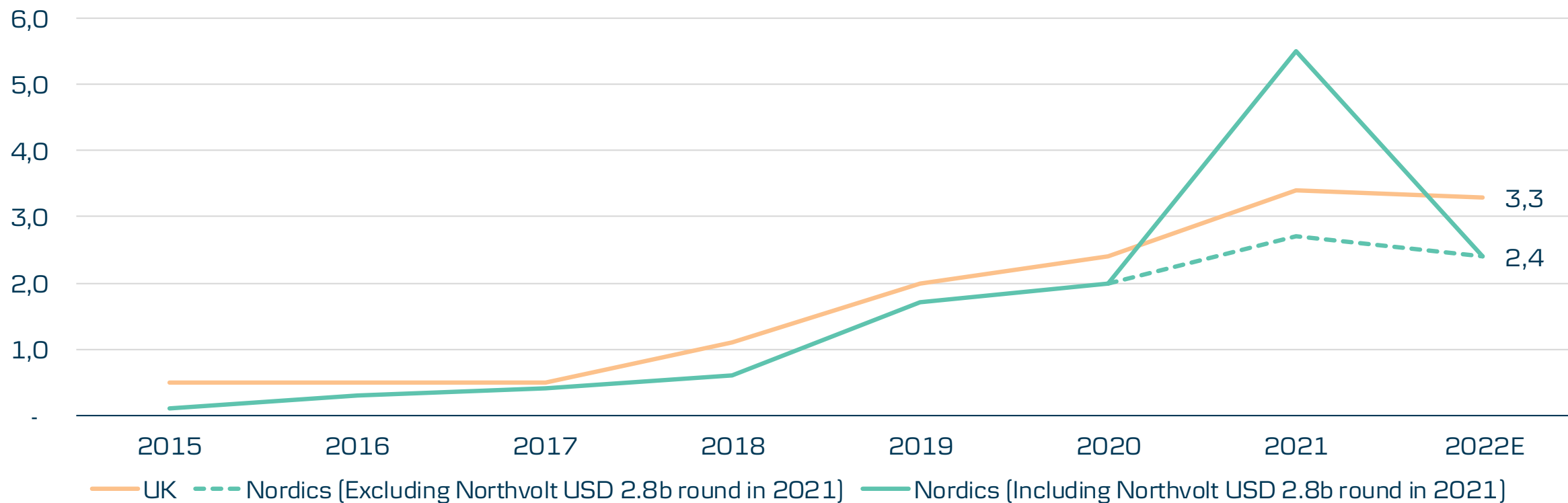
## Sweden still leads for raising impact investment in the Nordic countries

Impact investment by countries as percentage of total impact investment in the Nordics; Excluding Northvolt USD 2.8b



*But in spite of the Nordics' particular impact strength, they still collectively raise less impact funding than the UK*

VC investment into impact startups; Excluding Northvolt USD 2.8b in 2021; USDb



- *Investment into Nordic impact startups grew significantly over the last decade, skyrocketing from \$72M in 2010 to \$5.5B in 2021.*
- *Impact investing is a core part of VC investment in the Nordics, making up for ~25% of all VC investment in 2021 and 2022 H1. Sweden and Norway are the most impact-focused ecosystems among the Nordic nations.*
- *Within Nordic countries, Sweden is the clear front-runner in terms of the amount of impact investment raised.*
- *Yet, impact startups in the United Kingdom received more VC investment than all the Nordic countries combined.*
- *The Nordics punch well above their weight and could be considered an impact powerhouse, but not yet a global leader.*

## Myth 1

*“Nordic countries are global leaders within the impact space.”*

**Partially  
true**

## Myth 2

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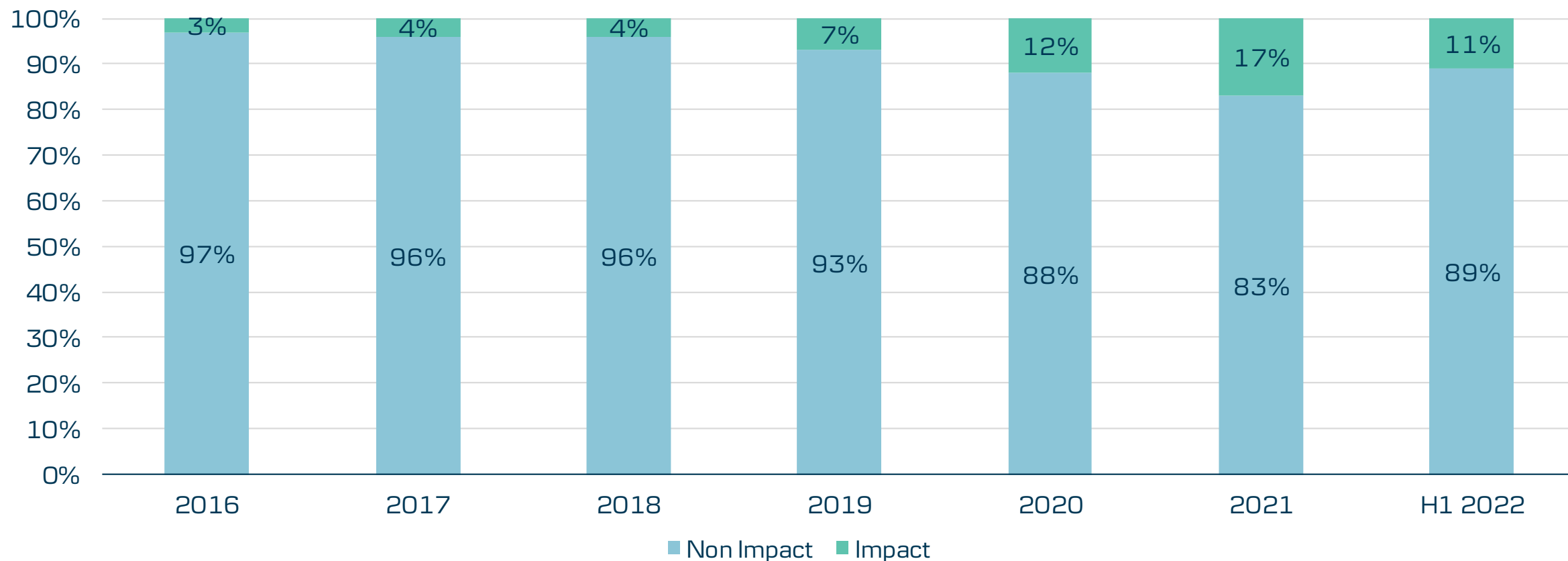
*“Impact startups stay small and do not create a significant number of jobs.”*

**False**

*Impact is the third-largest startup sector in terms of job creation in the Nordics. 1 in 10 startup employees in the Nordics work at an impact startup.*

## *Job vacancies at impact startups make up a greater share of all startup openings in the Nordics, up from 3% in 2016 to 17% in 2021*

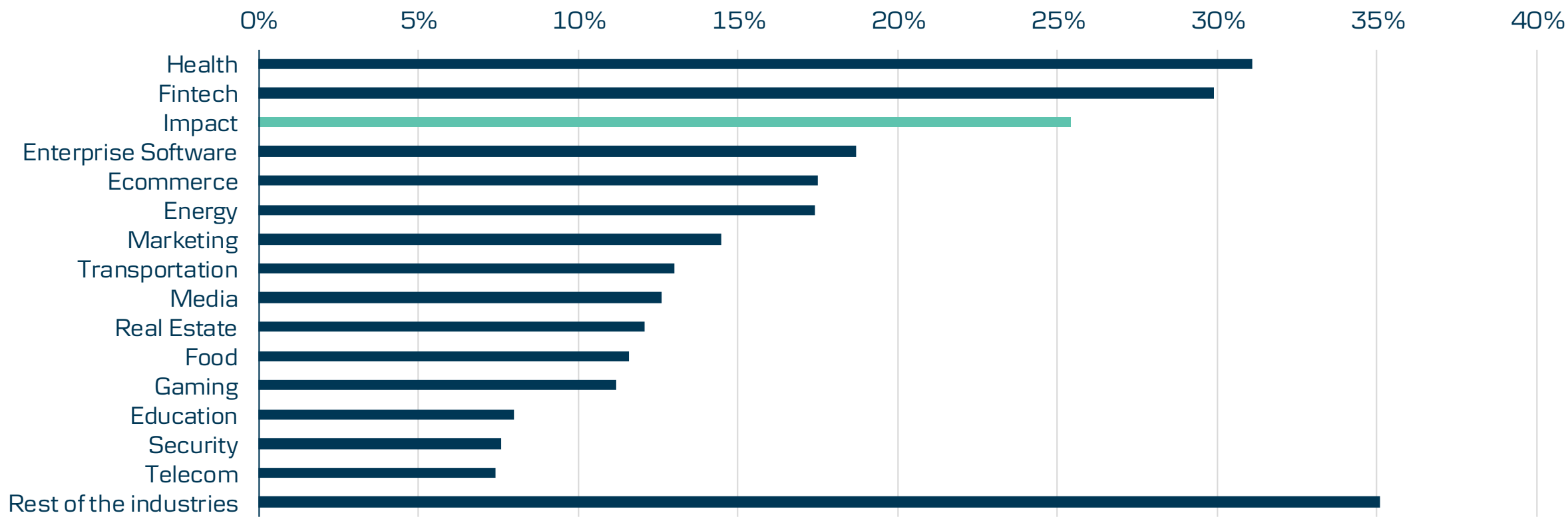
Percentage of job openings by Nordic startups type (excluding internships)



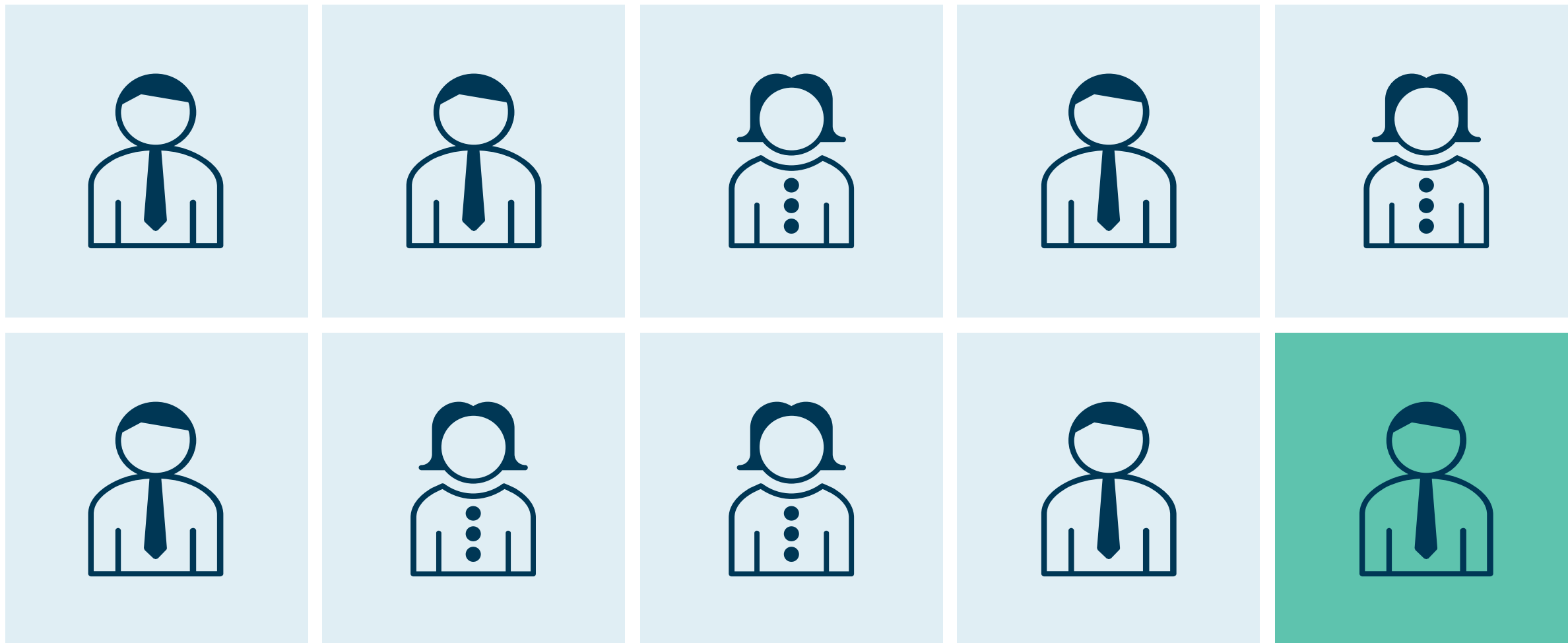


## *Impact startups are a major employer in the Nordics, coming behind only Health and Fintech – Europe's two largest startup industries – For job creation*

### Startup jobs by sector



*1 in 10 startup employees in the Nordics work at an impact startup*



- *Impact startups account for more than 10% of all startup jobs and vacancies in the Nordics, tripling its share of startup job vacancies in just five years.*
- *Impact startups are a major employer in the Nordics, coming behind only Health and Fintech - Europe's two largest startup industries - for job creation.*

## Myth 2

*“Impact startups stay small and do not create a significant number of jobs.”*

**False**


## Myth 3

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*“Impact is a nice-to-have, but not a growth driver.”*

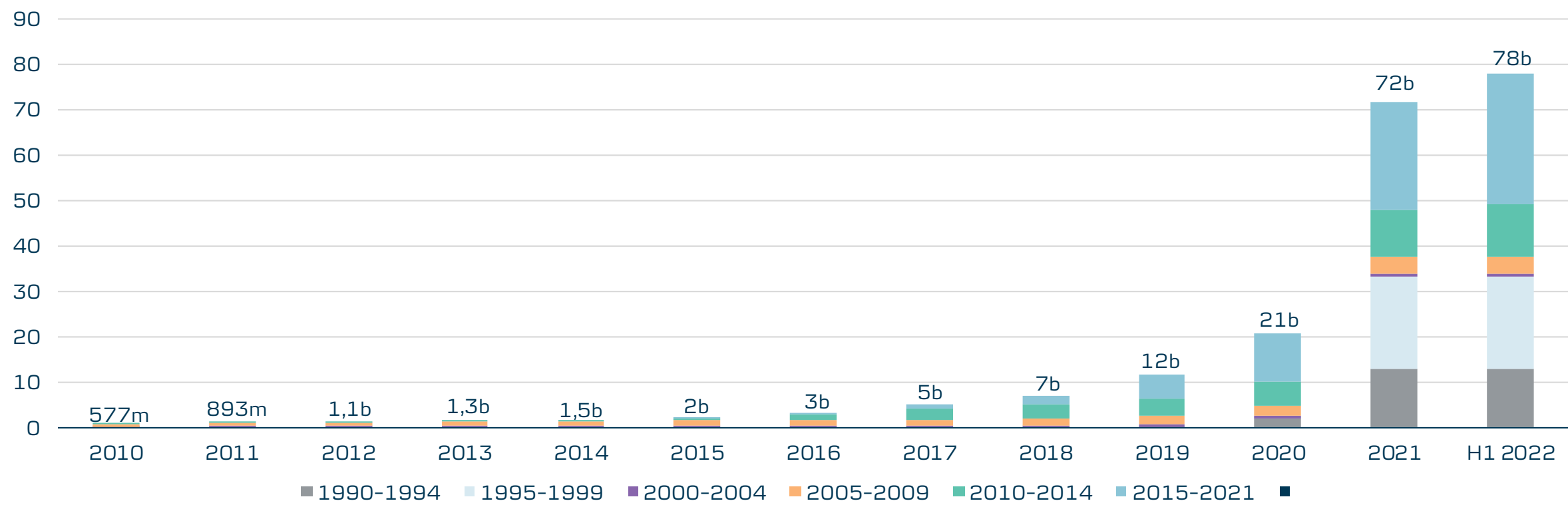
**False**

*Nordic impact startups have created \$78B in value, and the number of future unicorns and unicorns has taken off in the last five years.*



# The valuation of impact companies in the Nordic region has quadruple since 2020 to USD 78b in 2022

Nordic impact startup valuation by launch year; USDb

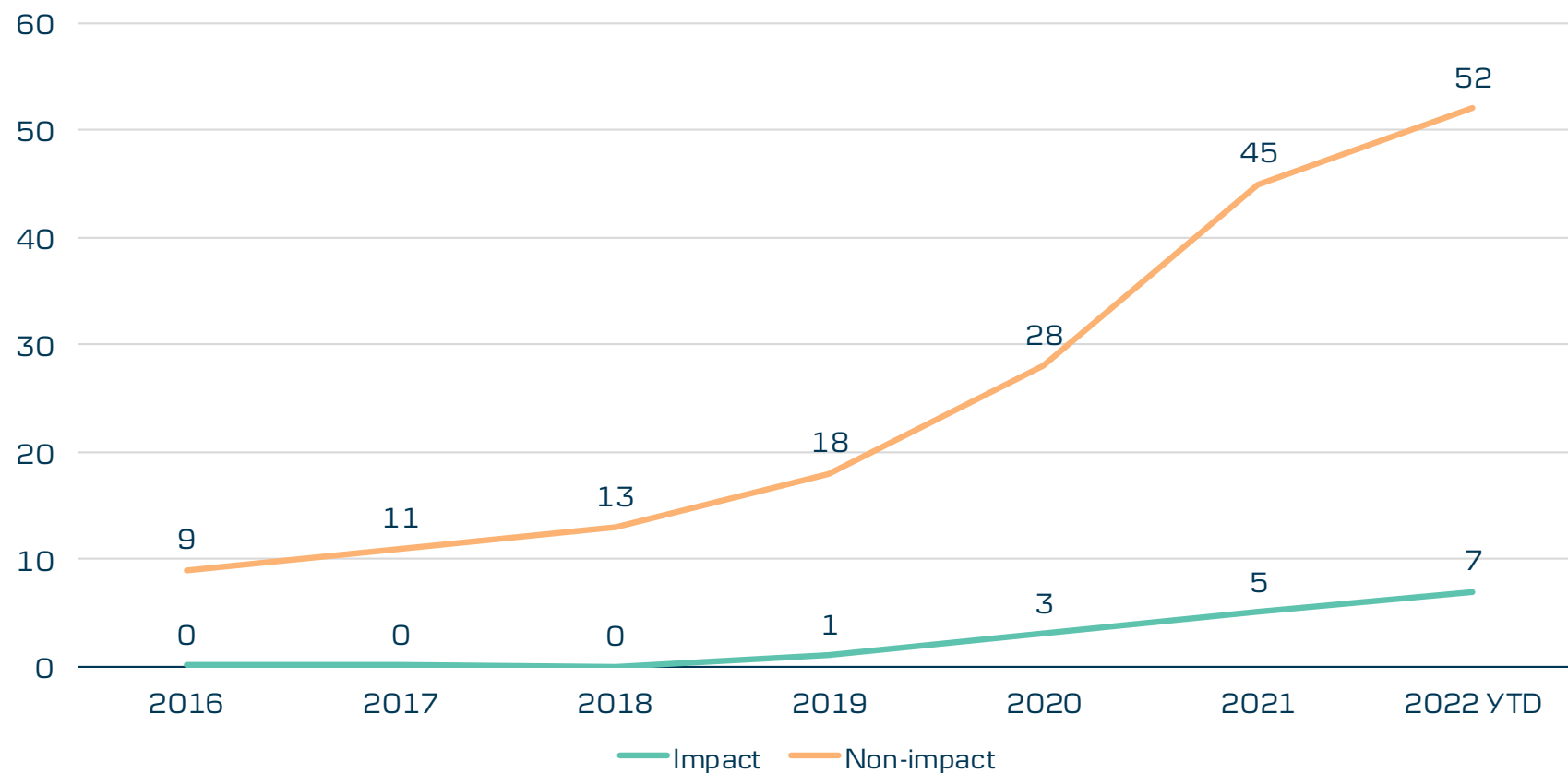


Dataset - 1,940 impact startups. Using estimated valuations based on most recent VC rounds, public markets and publicly disclosed valuations as of Jul 1, 2022.  
Source - Dealroom.co



*So far, 7 impact unicorns have been built in the Nordics.*

Cumulative number of unicorns in the Nordics



Nordic impact unicorns

[» view online](#)

ÖURA

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voi.

FREYR

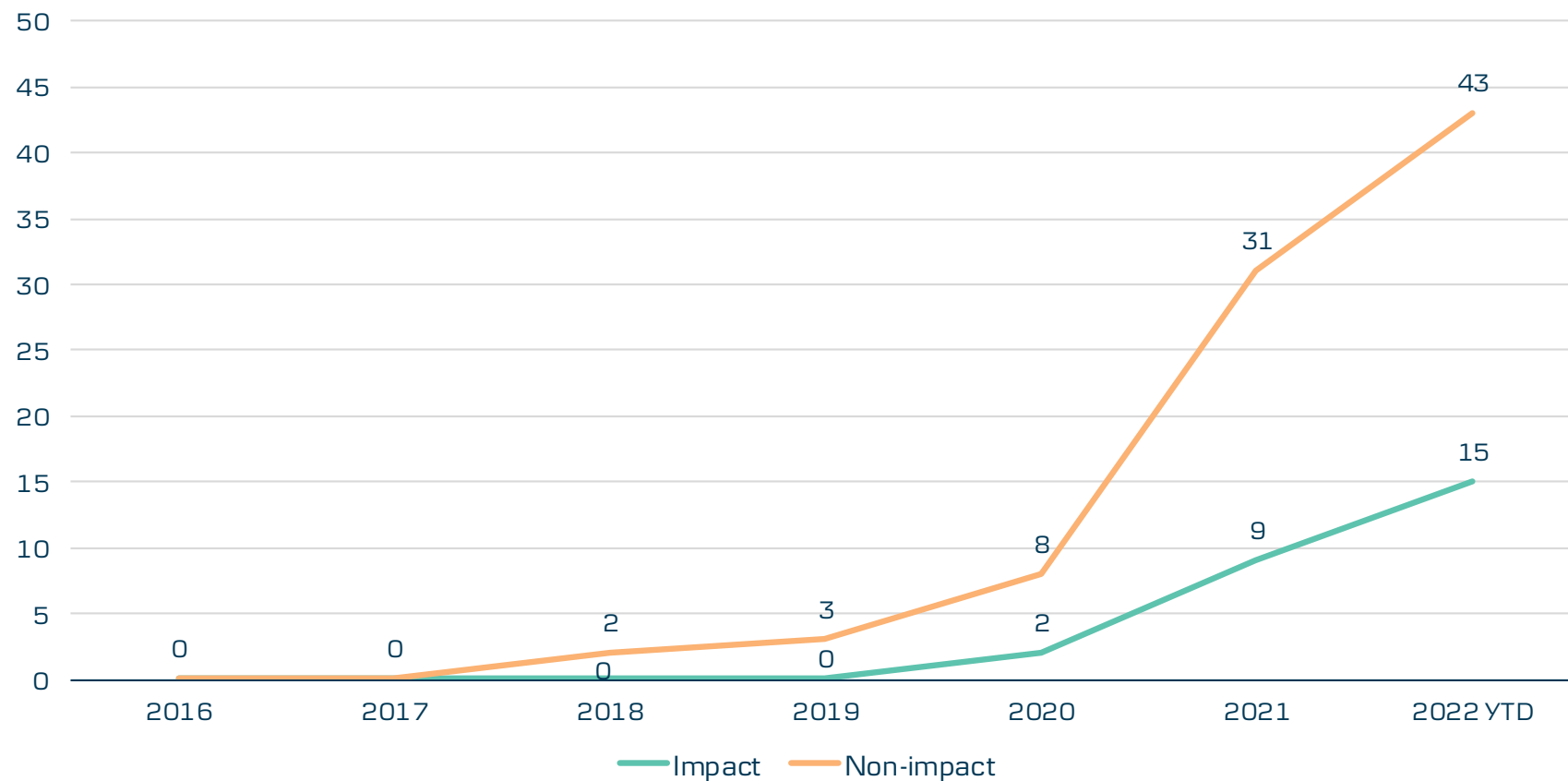
kry

THE ORIGINAL  
OAT  
LY!

northvolt

# A fast-growing pipeline of potential future impact unicorns is emerging, more than a quarter of the region's total tech future unicorns

Cumulative number of potential future unicorns in the Nordics



Nordic impact potential future unicorns [» view online](#)

Teamtailor  
tibber

ZERO NORTH™

budbee

X SHORE

VOLTA  
TRUCKS

ENORM

Swappie

ICEYE

cake

DOKTOR.SE

H2green steel

EXEGER

simple  
feast

KELIBER

- *The valuation of impact companies quadrupled since 2020, from \$21B to \$78B today.*
- *Seven impact unicorns have been built in the Nordics.*
- *A fast-growing pipeline of potential future unicorns is also emerging in the region.*

## Myth 3

*“Impact is a nice-to-have, but not a growth driver.”*

**False**

## Myth 4

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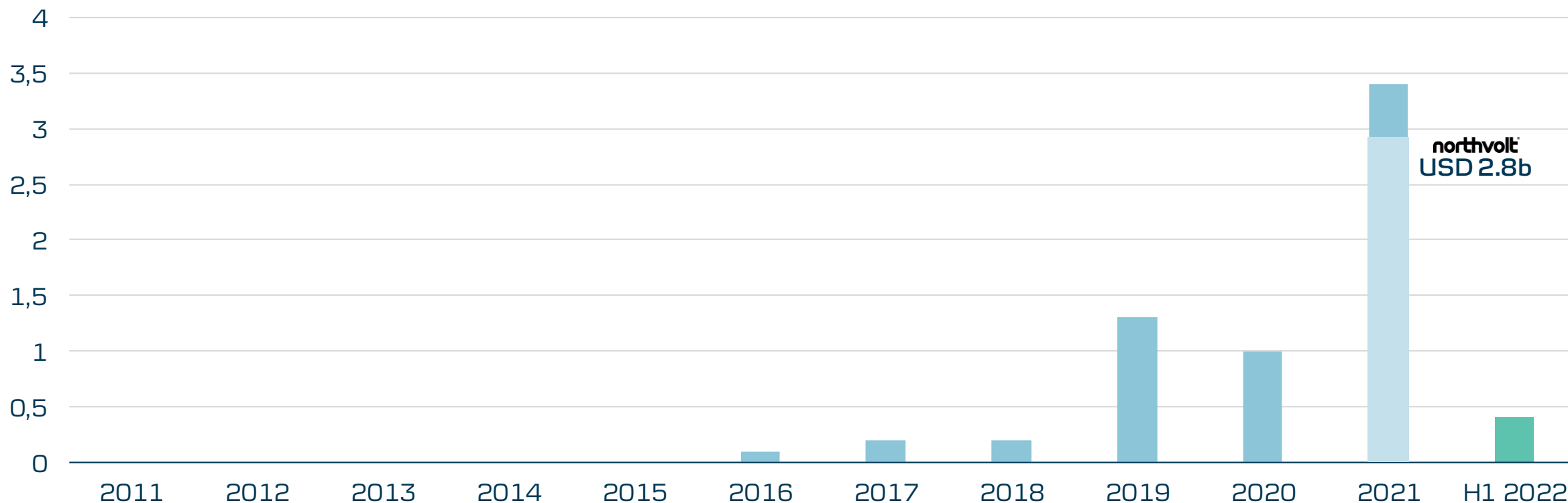
*“Within impact, Deep Tech startups are a safer bet.”*

True

*Nordic Deep Tech impact startups have higher conversion rates to Series A than non-Deep Tech peers.*

## *Investors have appeared cautious towards deep tech impact startups in an uncertain 2022*

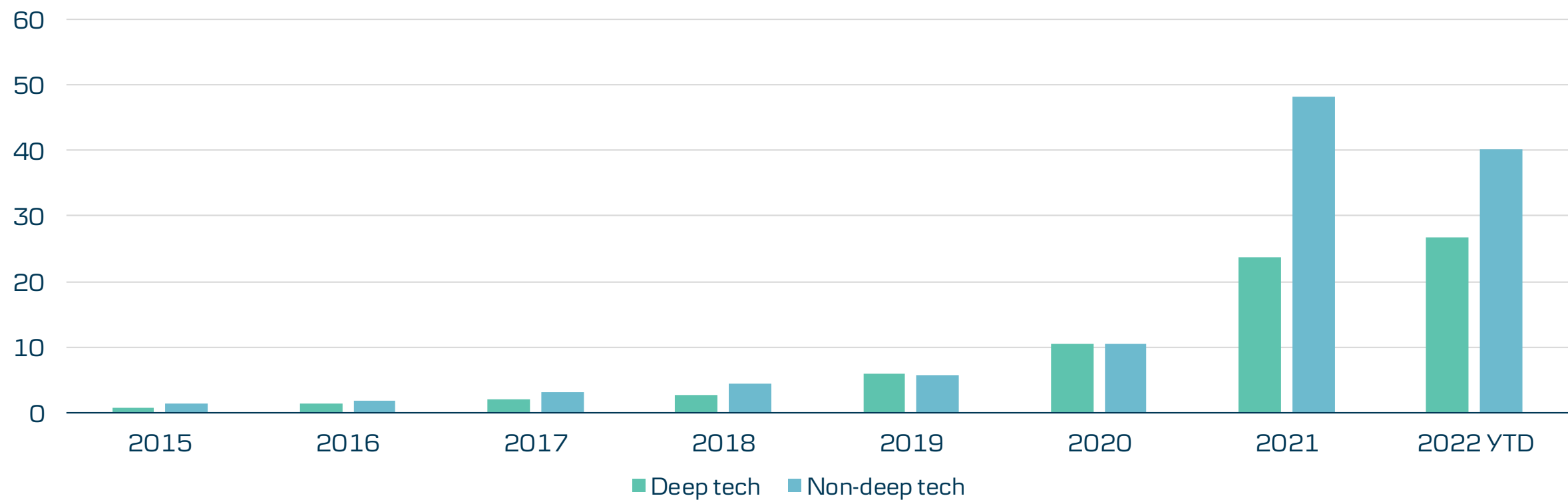
VC investment into Nordic impact deep tech startups; USDb





Deep tech valuations have mostly matched non-deep tech in the impact space, but fell behind in 2021

Combined enterprise value of Nordic impact deep tech and non-deep tech startups; USD**b**

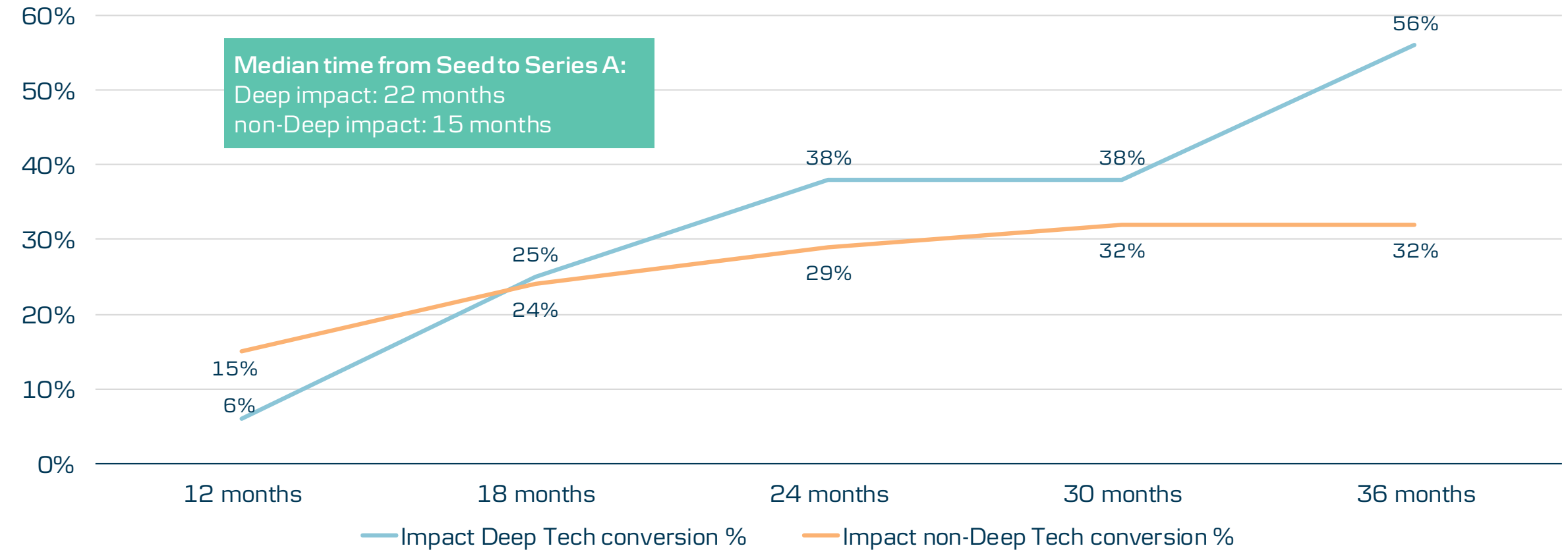


Dataset - 1,940 impact startups, out of which 328 Deep Tech impact startups. Using estimated valuations based on most recent VC rounds, public markets and publicly disclosed valuations as of Jul 1, 2022.  
Source - dealroom.co

# 56% of the Nordic Deep Tech impact companies raise Series A within 36 months of Seed, compared to 32% for other Nordic impact startups

## Conversion to Series A by time elapsed since Seed round

Seed is the 1st round between \$1-4M; Series A is the 1st round between \$4-15M



- *2022 investment levels in Nordic impact deep tech startups are behind from 2019 to 2021. Investors have appeared cautious towards Deep Tech impact startups in an uncertain 2022.*
- *But Nordic Deep Tech impact companies successfully raise Series A at a higher rate than non-Deep Tech companies, 56% of them convert within 36 months of raising Seed, compared to just 32% for non-Deep Tech Nordic impact startups.*
- *3 out of the 7 Nordic impact unicorns are Deep Tech.*

## Myth 4

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*“Within impact, Deep Tech startups are a safer bet.”*

True

## Myth 5

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*“Impact startups are better at forming stronger and more diverse teams.”*

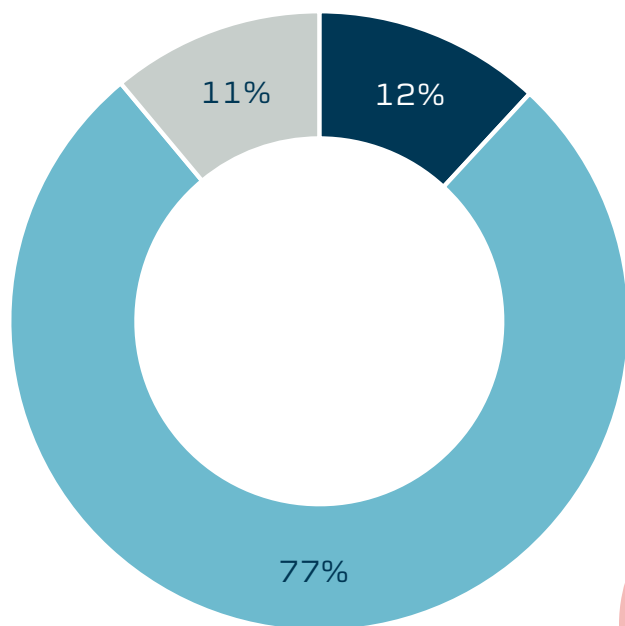
True

*Impact startups can form more diverse teams and also benefit from increased founders' diversity.*



*23% Nordic impact founding teams are mixed gender, compared to non-impact startups which is 14%*

Nordic impact startups

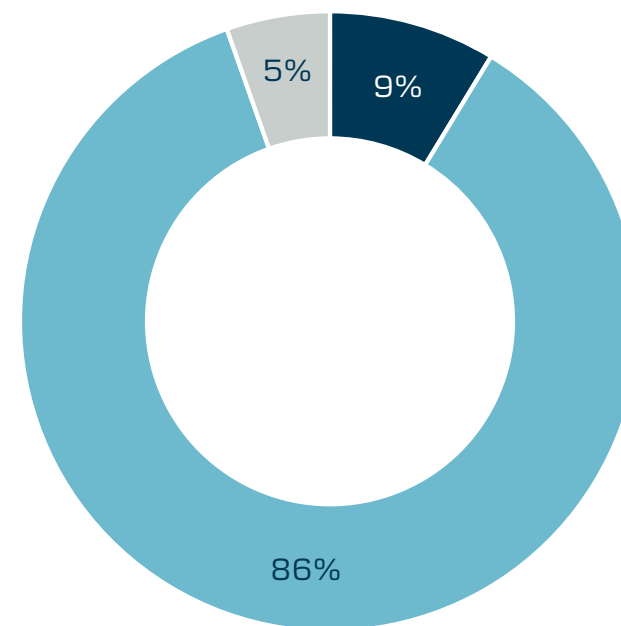


■ Female only ■ Male only ■ Mixed

**23%**

Min 1  
female  
founder

Nordic non-impact startups



■ Female only ■ Male only ■ Mixed

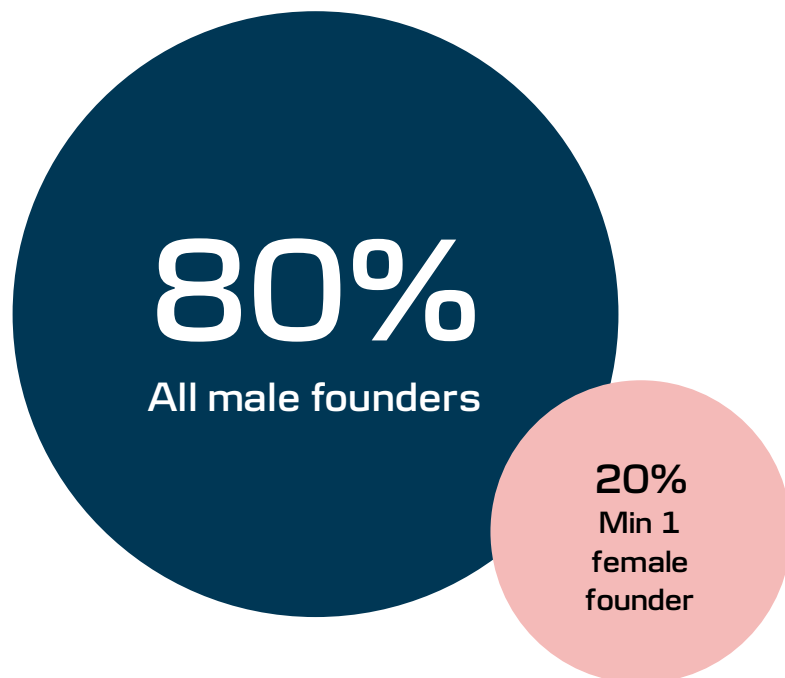
**14%**

Min 1  
female  
founder

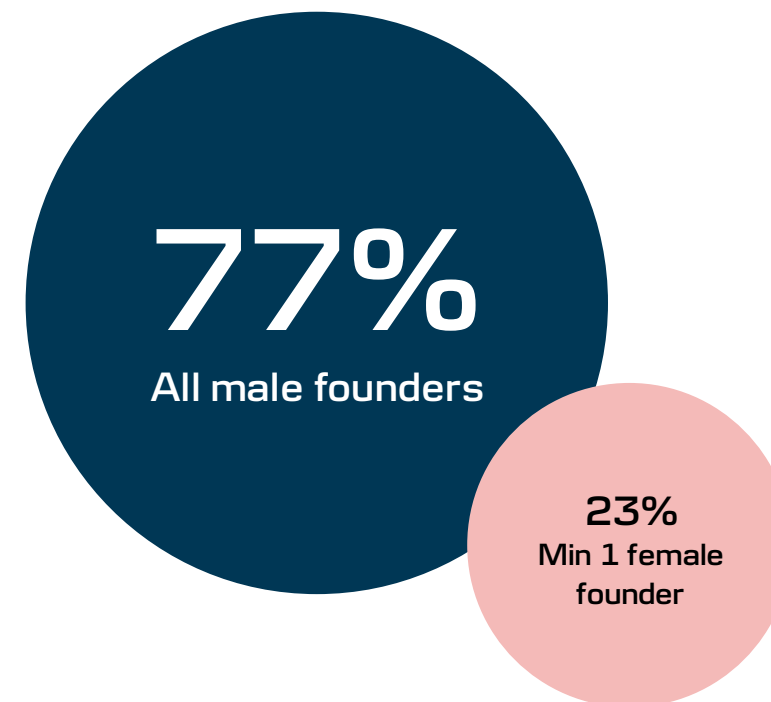


*Green Growth startup founding teams are also predominantly male, even more so than the total impact space*

## Green Growth

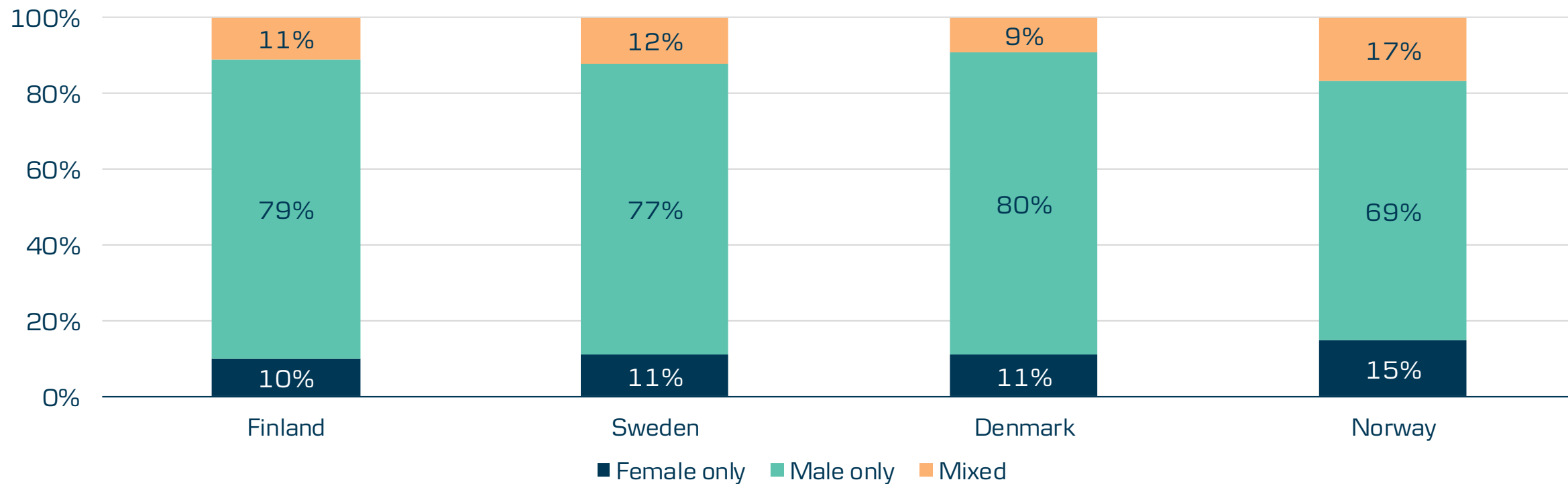


## Total Impact



*All the Nordic countries have an uneven gender distribution of founding teams. However, Norway leads relative to its neighbours*

### Nordic countries impact startups split by gender of founding team



- *Nordic impact startup founding teams are predominantly all male, though marginally less so than non impact founding teams.*
- *Compared to its neighbours, Norway has the most founding teams that are not all male.*
- *Impact startups have the opportunity to form more diverse founding teams and also benefit from increased founders' diversity.*

## Myth 5

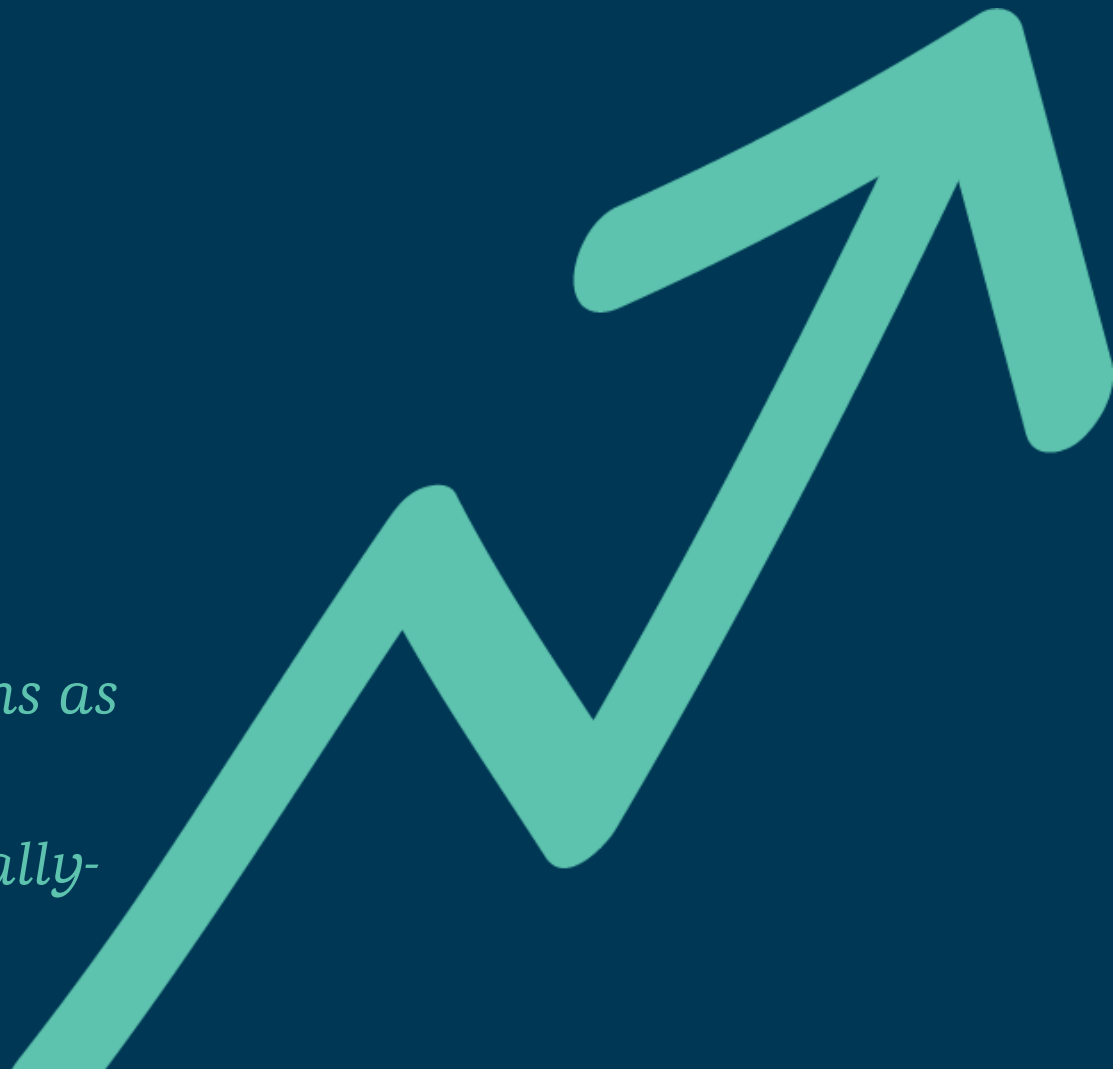
*“Impact startups are better at forming stronger and more diverse teams.”*

**True**

# Green Growth

*Green Growth refers to startups specifically seeking to improve environmental conditions as part of their main business activities.*

*Green Growth is therefore an environmentally-focused subset of Impact.*



## Green Myth 1

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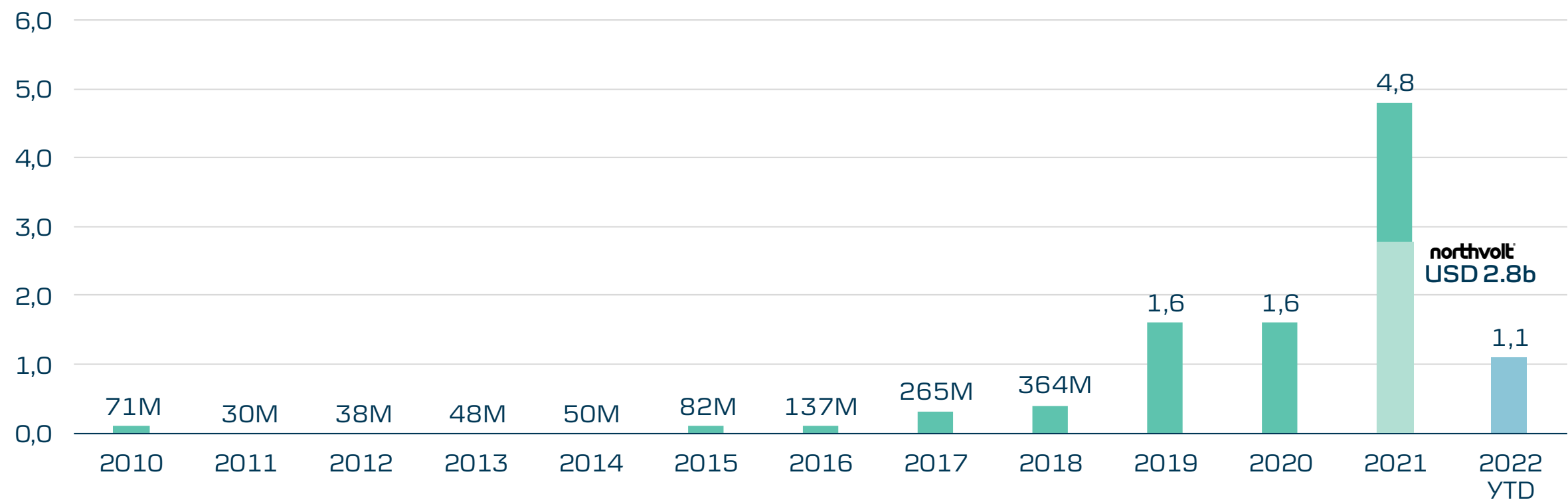
*“Green Growth investments have peaked for now.”*

Partially  
true

*Green Growth in the Nordics has grown faster than impact and total venture capital funding.*

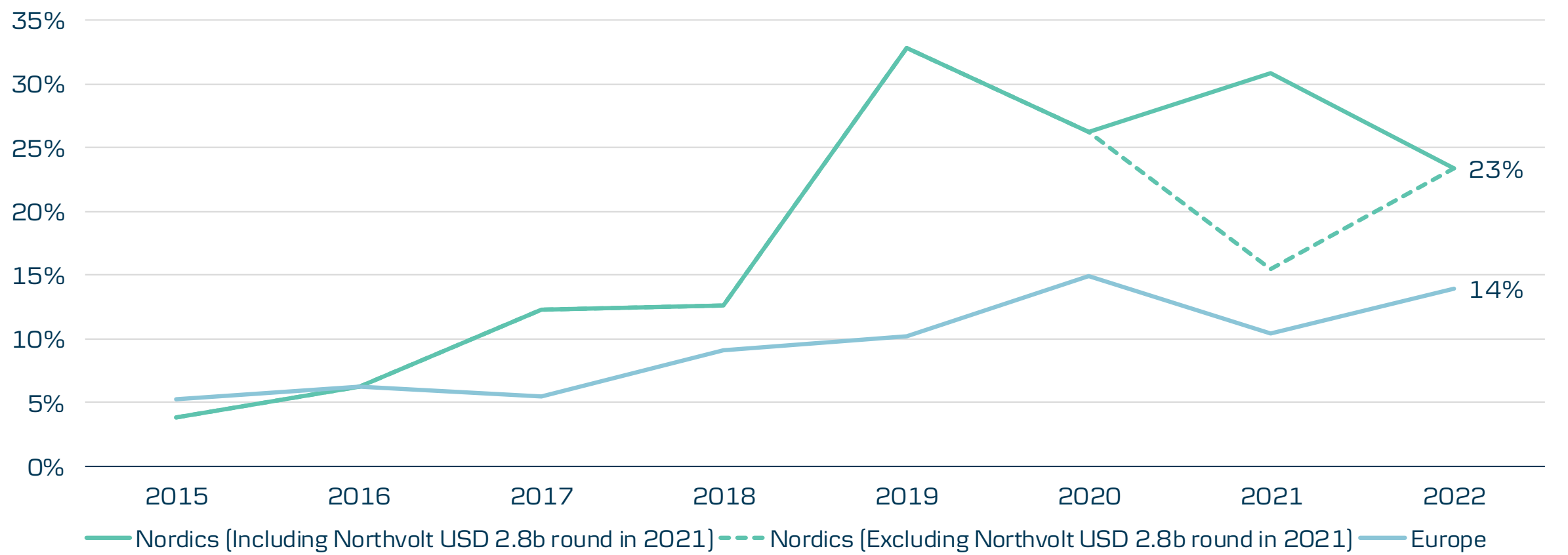
# 2022 Green Growth funding is on track to exceed 2020 investment levels

VC funding going into Nordic Green Growth startups; USD**b**



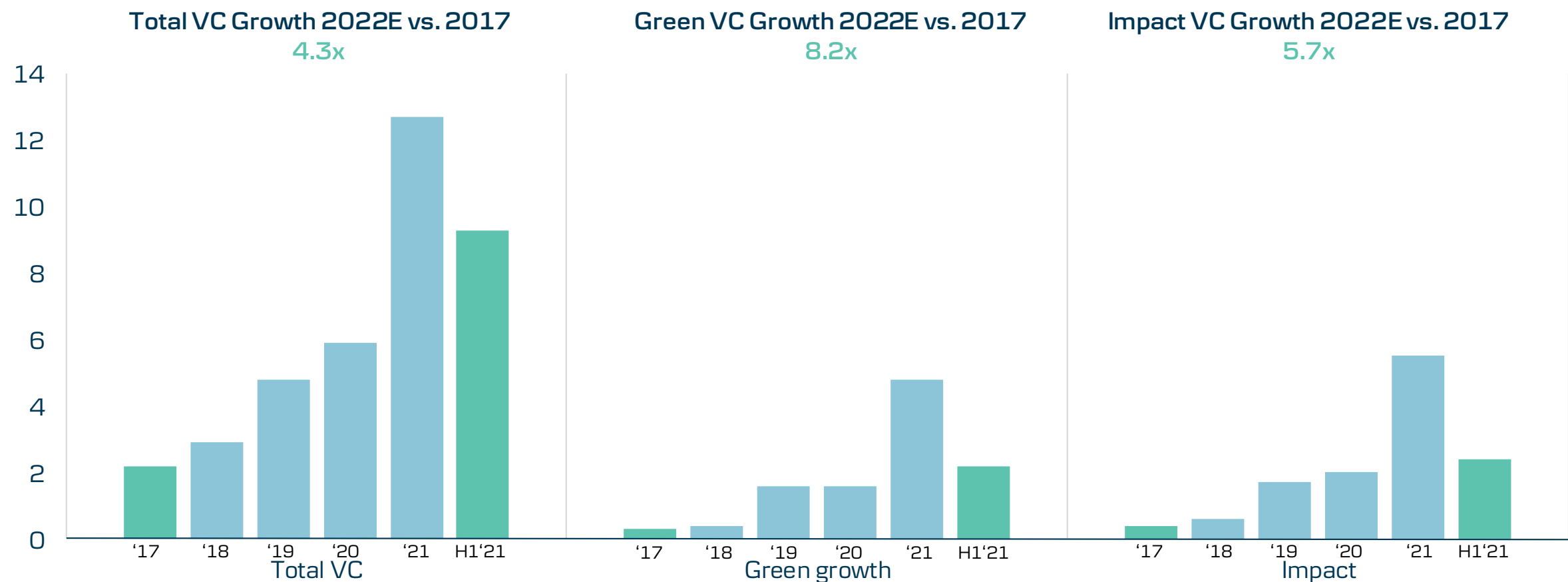
Overall, investment levels of Green Growth in the Nordics are higher than in Europe

Investment into Green Growth startups as a percentage of total venture capital



# Green Growth in the Nordics has grown faster than impact and total funding in the region

VC funding in the Nordics; USDb





- While 2022 Green Growth funding is unlikely to reach the height of 2021, it is still holding up relatively well in 2022. Last year was a huge record year for funding globally, setting a target that is hard to meet, and also included a \$2.8B megaround for Northvolt. With this context, Green Growth funding has far from collapsed. It may have peaked last year, but is still in reasonable shape.
- The Nordics still invest a higher percentage of VC funding into Green Growth than the rest of Europe.
- Green Growth funding in the Nordics has grown faster than impact and total VC in the region.

## Green Myth 1

*“Green Growth investments have peaked for now.”*

Partially  
true

## Green Myth 2

---

*“Green Growth investments mainly flow to Energy & Utilities and Transport & Mobility.”*

True

*Energy & Utilities and Transport & Mobility are the most funded clusters in Green Growth, with 82% of total green growth VC going into these clusters.*

# There are five key clusters of operations and focus for Green Growth startups



## Energy & Utilities

Renewable energy production, smart- and micro grids, power-to-X, energy storage.

Number of startups - 402  
Total funding - USD 4.7b

### Examples



## Food & Agriculture

Improve farming output and quality, alternative protein, waste reduction.

Number of startups - 187  
Total funding - USD 0.7b

### Examples



## Materials & Resources

Sustainable production resources, packaging materials, fibers.

Number of startups - 98  
Total funding - USD 0.5b

### Examples



## Buildings & Infrastructure

Green and smart buildings and cities, monitoring energy grid & utility systems, Green building materials.

Number of startups - 94  
Total funding - USD 0.3b

### Examples



## Transport & Mobility

Electric vehicles, bicycles, smart mobility, public transportation, automated or hyper-efficient systems.

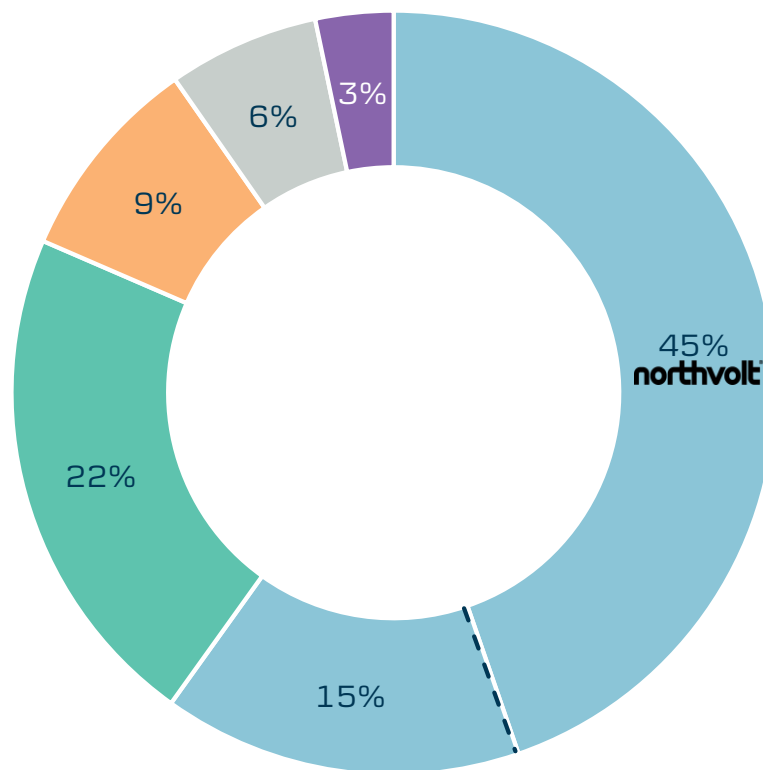
Number of startups - 110  
Total funding - USD 1.8b

### Examples



## *Energy & Utilities and Transport & Mobility are the leader clusters in Green Growth in the Nordics*

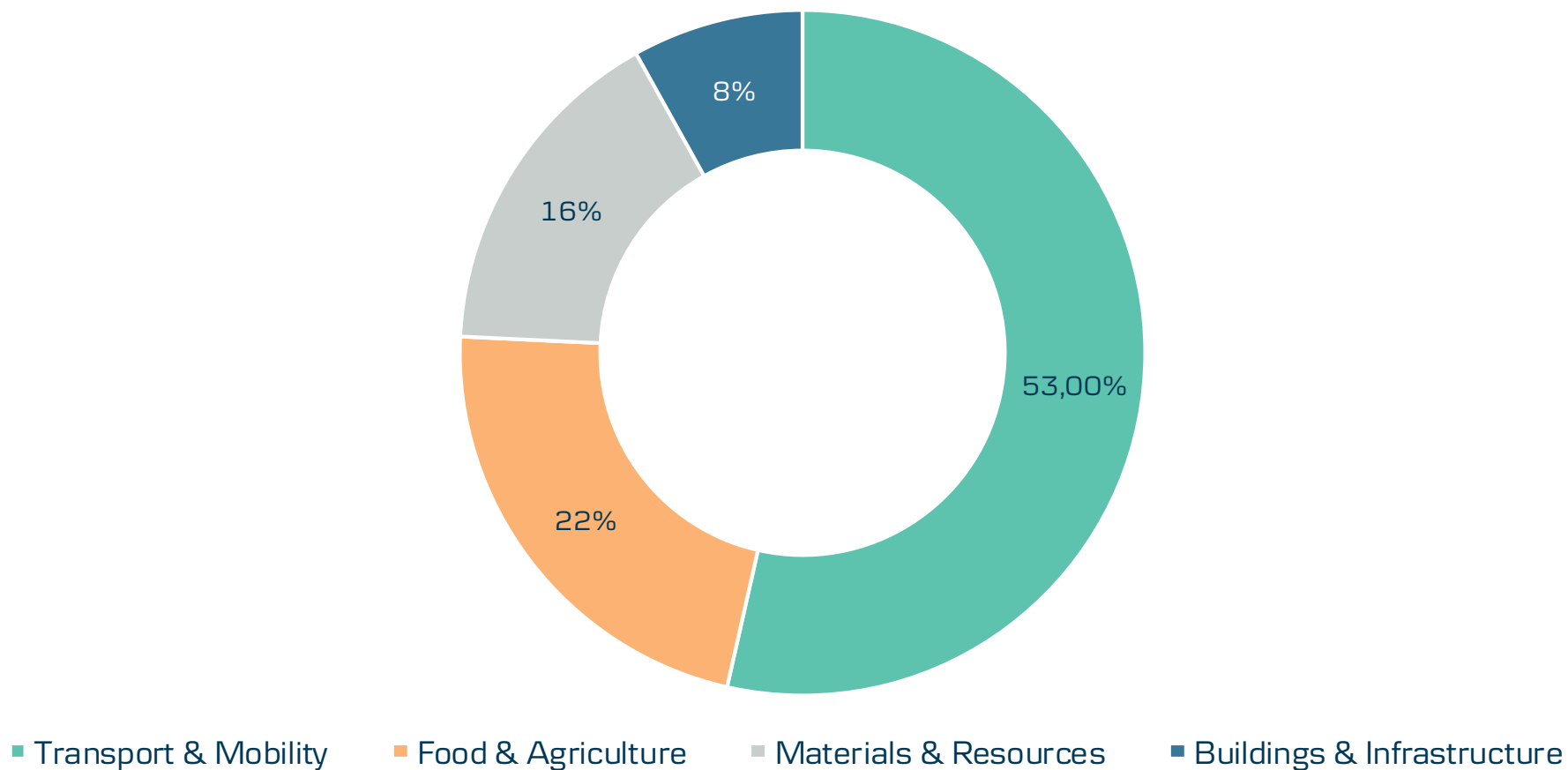
Investment into Green Growth in the Nordics according to clusters (2020-H1 2022)



■ Northvolt ■ Energy & Utilities ■ Transport & Mobility ■ Food & Agriculture ■ Materials & Resources ■ Buildings & Infrastructure

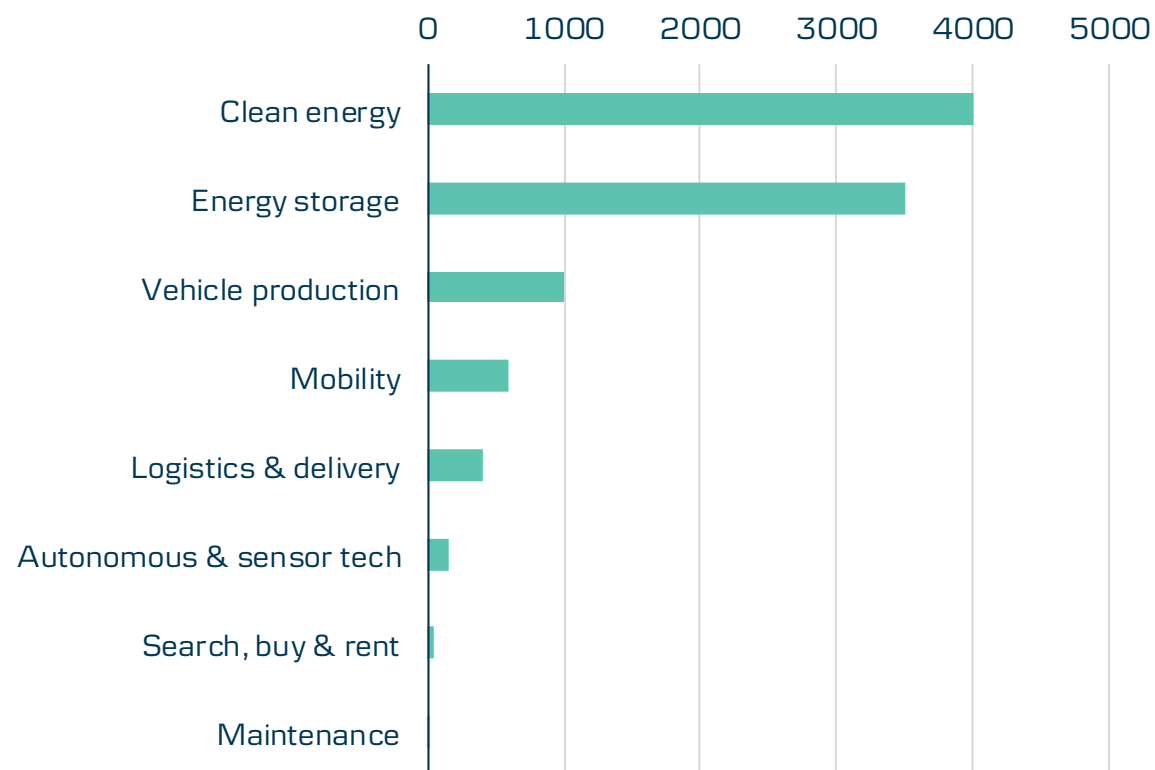
*Excluding the Energy & Utilities cluster, the most funded Green Growth cluster in the Nordics is Transport & Mobility*

Investment into Green Growth in the Nordics excluding Energy & Utilities (2020-H1 2022)



# Clean energy and energy storage are the Transport & Mobility segments that attracted most funding in the Nordics since 2020

Investment into Transport & Mobility in the Nordics (2020-H1 2022); USDm



Top Transport & Mobility rounds in the Nordics

NAME	INVESTORS	MARKET	LOCATION	VALUATION	LAST ROUND	DATE
<b>Polestar</b> We are an electric performance ca...	Chongqing Chengping Equity Investment Fund Partnership Zibo Financial Holding, Zibo Hightech	transportation vehicle production	Gothenburg, Sweden	\$20.0b	\$500m GROWTH EQUITY VC	Apr 2021
<b>Volta Trucks</b> Creating an all-electric truck speci...	Luxor Capital B-FLEXION (formerly Waypoint Capital) Agility Byggmästare Anders J Ahlström	transportation vehicle production	Sigtuna, Sweden	\$490m	\$260m SERIES C	Feb 2022
<b>Voi Technology</b> Aiming to create a system of electr...	Kreos Capital The Raine Group Inbox Capital Ilmarinen NordicNinja VC	transportation mobility	Stockholm, Sweden	\$1.0b	\$115m SERIES D	Dec 2021
<b>Einride</b> A technology company that devel...	Northzone Ericsson Temasek Plum Alley EQT Ventures	robotics transportation mobility logistics & delivery autonomous & sensor E...	Fågelvikshöjden, Sweden	\$1.4b	\$110m SERIES B	May 2021
<b>Voi Technology</b> Aiming to create a system of electr...	Balderton Capital Creandum Project A The Raine Group Inbox Capital	transportation mobility	Stockholm, Sweden	\$1.0b	\$107m SERIES C	Dec 2020
<b>X Shore</b> X Shore is the evolution of an indu...	Lukasz Gadowski Team Europe Peter Carlsson Navin Thakkaram	energy transportation vehicle production	Stockholm, Sweden	\$200–300m	€45.5m LATE VC	Apr 2022
<b>Cake</b> Develops uncompromising high p...	Creandum Headline (formerly e-ventures) AMP	transportation vehicle production	Stockholm, Sweden	\$184–276m	\$46m SERIES B	Sep 2021
<b>Voi Technology</b>	The Raine Group	transportation	Stockholm, Sweden	\$1.0b	\$45m SERIES C	Aug 2021

- 82% of Nordic Green Growth funding goes to Energy & Utilities, and Transport & Mobility startups.
- When excluding Northvolt \$2.8B megaround, Energy & Utilities and Transport & Mobility are still the leading clusters in Green Growth in the Nordics.
- Even within the Transport & Mobility cluster, the most funded segments are clean energy and energy storage.

## Green Myth 2

*“Green Growth investments mainly flow to Energy & Utilities and Transport & Mobility.”*

**True**

## Green Myth 3

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*“Green Growth startups wouldn’t exist without public funding.”*

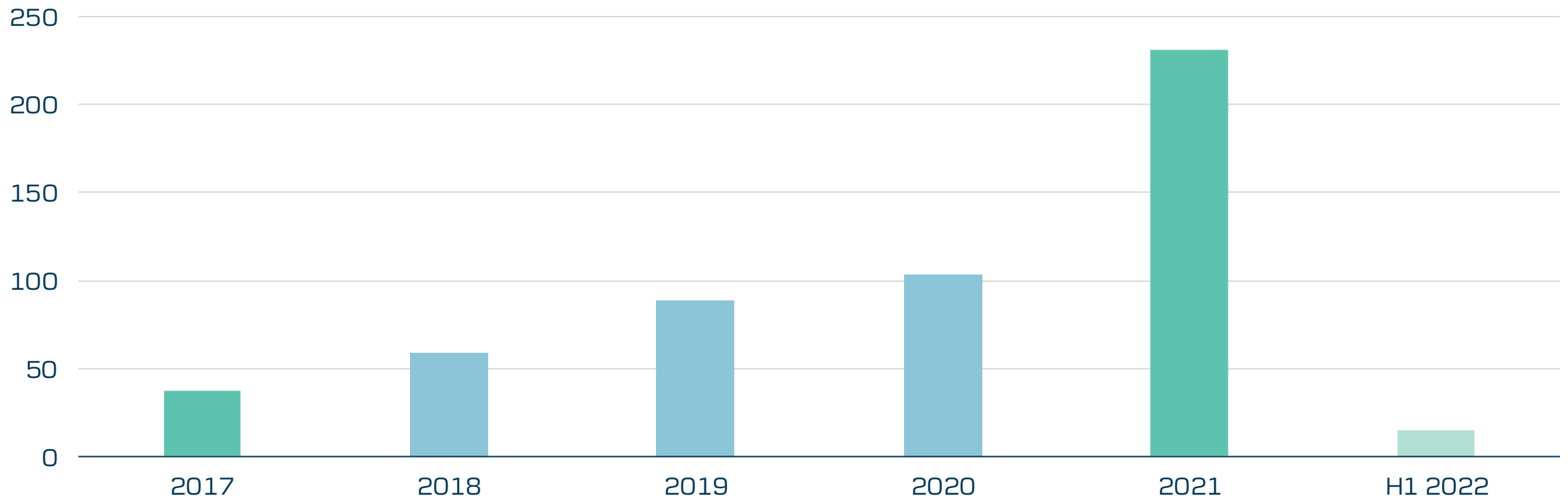
Partially  
true

*Green Growth startups are dependent on public funding, especially in prototype and going-to-market stage, but private funding is increasingly backing validated projects to scale.*



*In 2021, public funding for Nordic Green Growth startups grew 6.2x since 2017*

Public investment into Green Growth startups; USDm



## Government funders make up 4 of the top 8 most active funders of Nordic Green Growth startups

Investor name	Investor type	HQ	Amount invested <sup>1)</sup>	Selected supported companies
 <norrsken>	Venture Capital	Stockholm, Sweden	USD 202m	  
 European INNOVATION Council	Government	Brussels, Belgium	USD 131m	  
 EIT InnoEnergy Knowledge Innovation Community	Accelerator	Eindhoven, Belgium	USD 120m	  
 EIT Climate-KIC	Accelerator	Amsterdam, Netherlands	USD 102m	  
 UNU GLOBAL	Venture Capital	Stockholm, Sweden	USD 72m	 
 Balderton capital	Venture Capital	London, United Kingdom	USD 59m	 
 VF VENTURE en del af Vækstfonden	Governmental	Hellerup, Denmark	USD 51m	 
 LIFE LINE	Venture Capital	Helsinki, Finland	USD 50m	  

1) Estimated total amount of investment into Green Growth startups. This amount is calculated on an equal split of the transaction amount by the number of investors. Time-frame: 2017 to H1 2022.

Dataset - 908 Green Growth startups. Grants have also been included in this analysis.

Source - dealroom.co

- *Public funding has been an important resource for many Green Growth companies, particularly at early stage, and public bodies have increasingly recognised the impact this funding can have.*
- *Public funding for Green Growth startups has been steadily increasing.*
- *But there is also a growing pool of private capital emerging to back these Green Growth innovators when they are ready to scale.*

## Green Myth 3

*“Green Growth startups wouldn’t exist without public funding.”*

Partially  
true

## Green Myth 4

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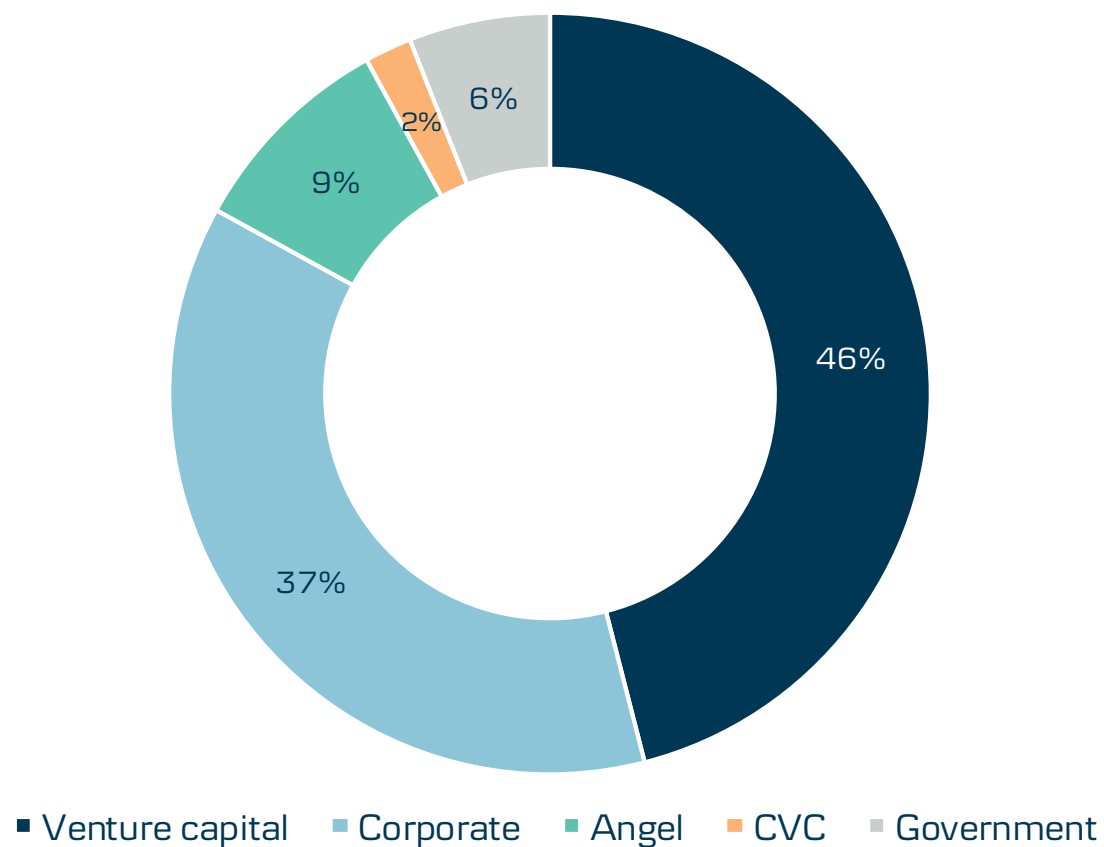
*“Corporates are more interested in Green Growth than VCs are.”*

**False**

*VC funds provide most capital for Green Growth startups in the Nordics, followed by corporates.*

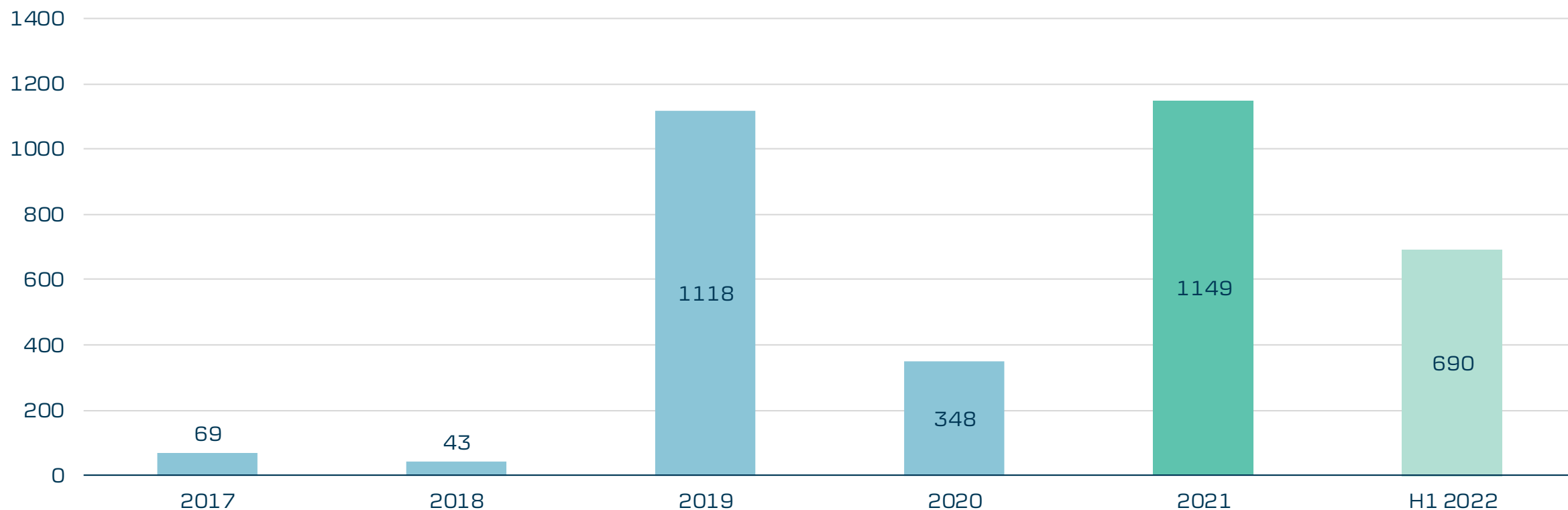
## *VC funds provide most capital for Green Growth startups in the Nordics, followed by corporates*

Source of investment in Nordic Green Growth (2017-H1 2022)



*Still, in 2021, corporate investment in Nordic Green Growth startups increased 14x vs. 2017.*

Corporate investment into Nordic Green Growth startups; USDm



- *Venture Capital investors provide the most capital to Green Growth startups in the Nordics.*
- *But Corporates are also an important funding source, providing 37% of all funding in the last five years (compared to 46% for VCs).*
- *Corporates are therefore an important part of the Green Growth innovation ecosystem.*

## Green Myth 4

*“Corporates are more interested in Green Growth than VCs are.”*

**False**

## Green Myth 5

*“Green Growth investors are more international, compared to traditional tech.”*

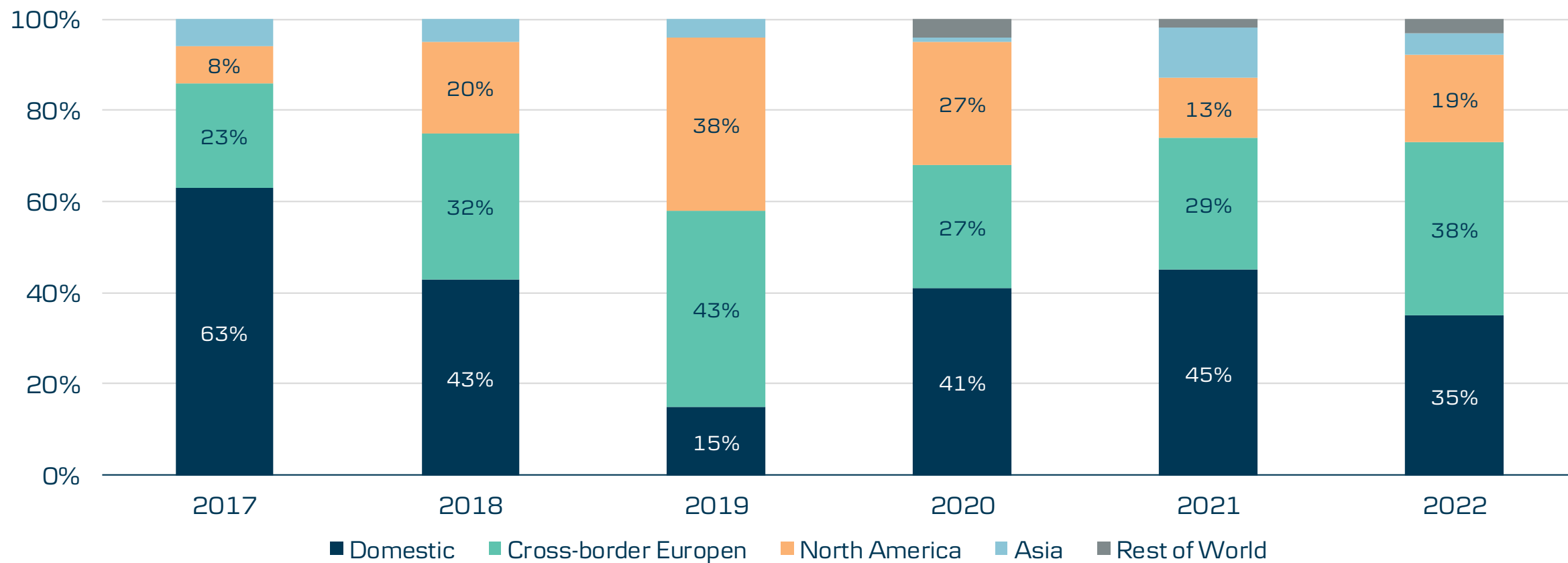
**False**

*More than 70% of investment into Nordic green growth is from domestic and European investors.*



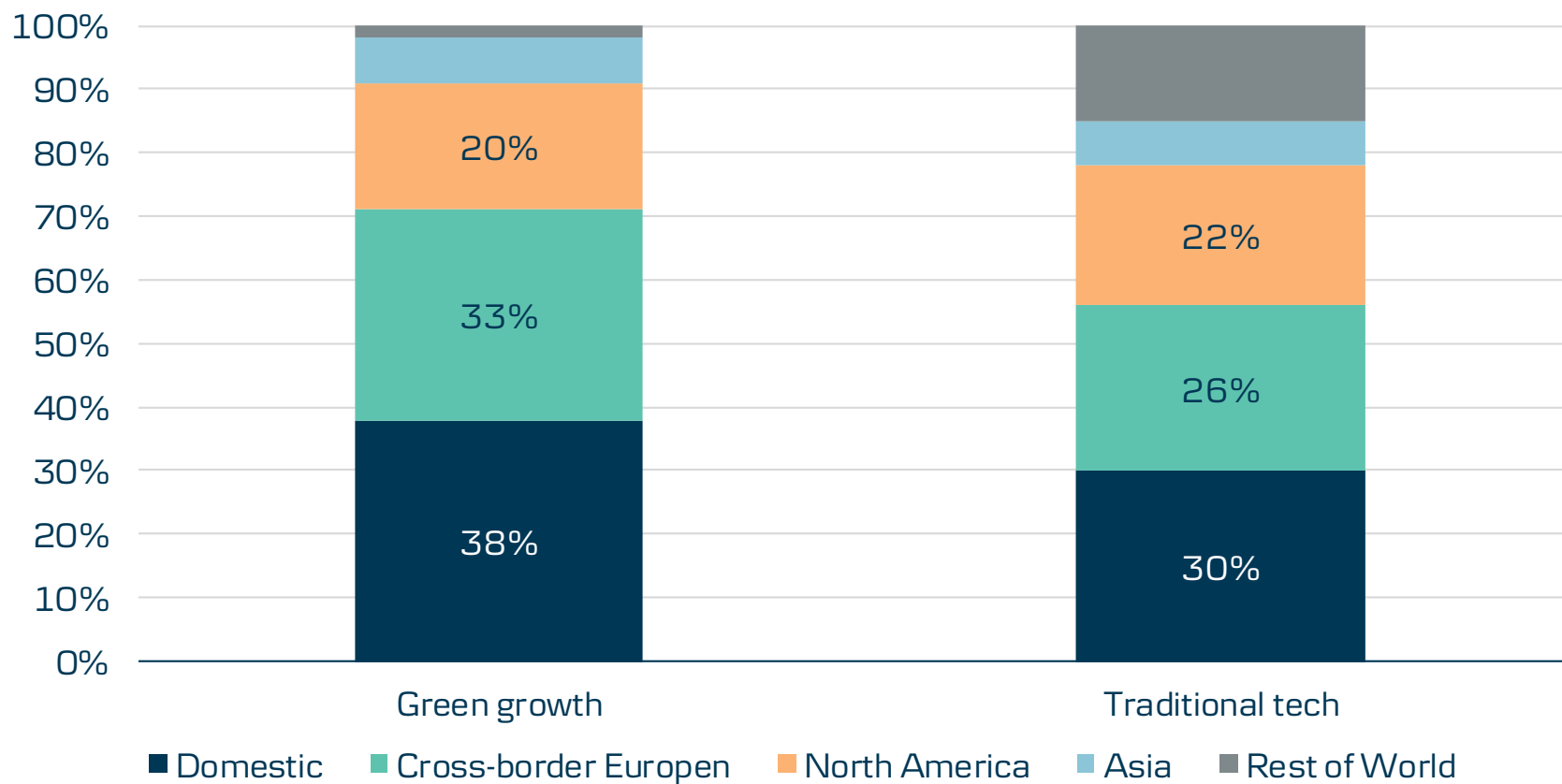
## *The majority of investment into Nordic Green Growth comes from domestic and European investors*

Source of investment into Nordic Green Growth startups



*The majority of investment in the Nordics are from domestic investors, regardless of sector*

Source of investment into Nordic startups (2017-H1 2022)



- *More than 70% of investment into Nordic Green Growth startups comes from domestic and European investors.*
- *Green Growth startups in the Nordics raise a higher percentage of their funding from domestic and European investors compared to non-Green Growth companies.*
- *The Nordics are home to a number of dedicated Green Growth and Impact funds, specifically seeking those investments.*

## Green Myth 5

*“Green Growth investors are more international (compared to traditional tech).”*

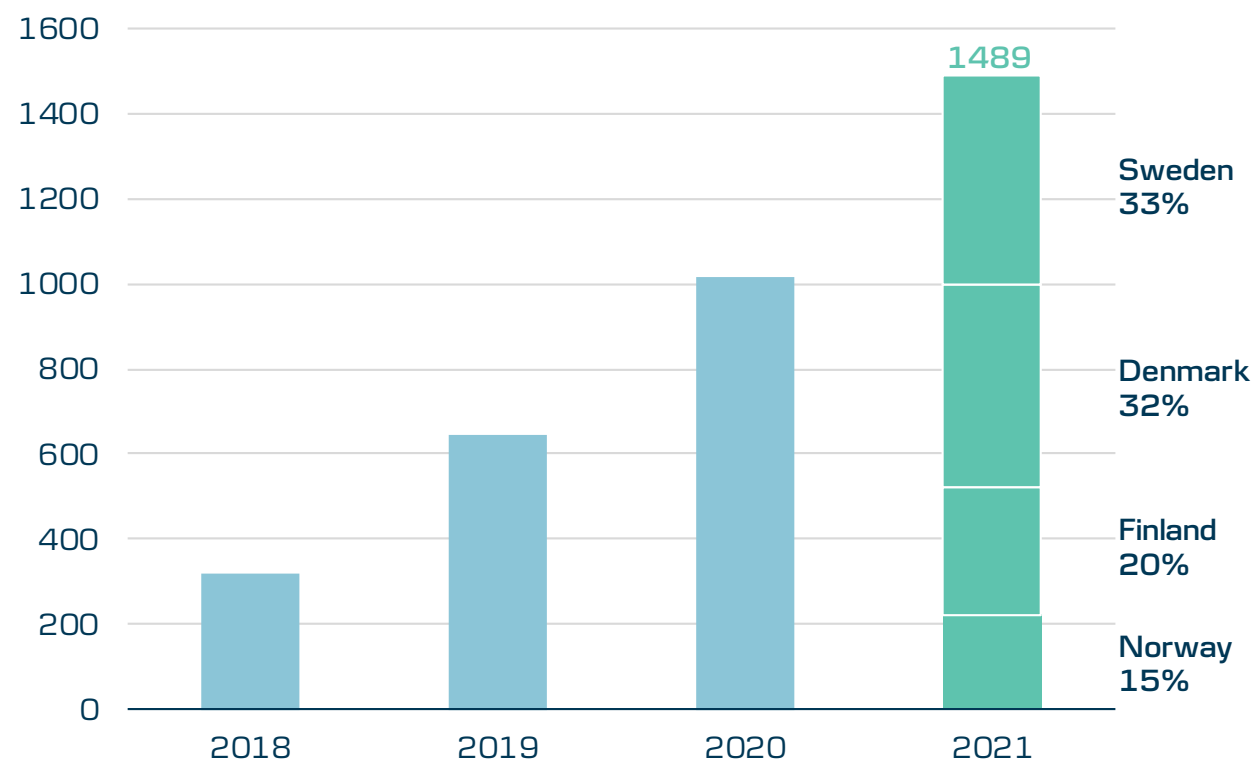
**False**

*About the report,  
methodology,  
and data*



# Methodology & Dataset

## Number of startups in each report dataset

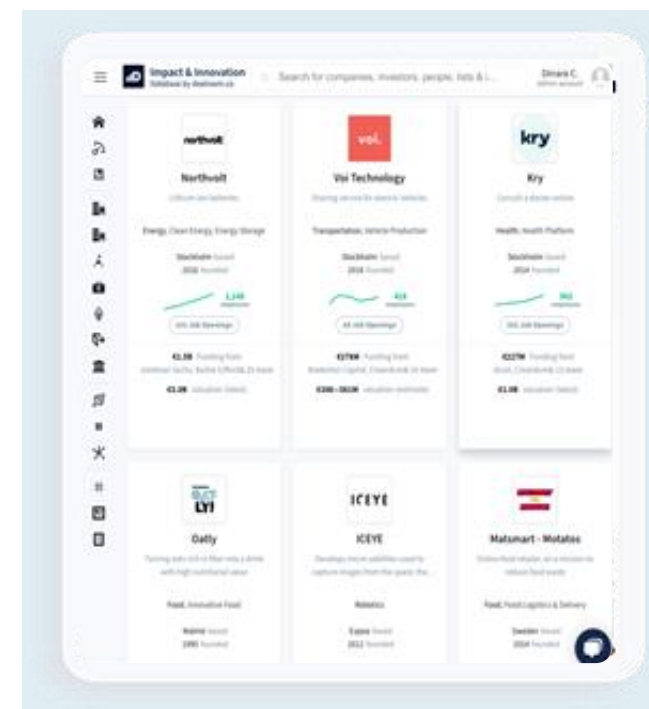


## Discover the companies

1,489 Nordic impact companies

665 Green Growth companies

1,667 funding rounds



@ [impact.dealroom.co/](https://impact.dealroom.co/)

# Glossary

## What is an impact startup?

A startup company that addresses one or more of the UN Sustainable Development Goals (SDGs) at the core of its business. Our litmus test: If you remove the impact you also remove the business. Within the context of the EU Sustainable Finance package, the report focuses on companies and products with “environmental objectives”, as in Article 9 in the EU Sustainable Finance Regulation, and those that significantly contribute to a sustainability objective in the EU taxonomy.

## What is a Green Growth startup?

Green Growth is a subset of impact startups. They not only addresses SDGs in general, but in particular seeks to improve environmental conditions as part of its main business activities. In other words, the more a Green Growth company scales, the more environmental parameters should improve. This may be through the reduction of greenhouse gas emissions, resource consumption, and/or through regenerative practices that lead to gradual restoration of damaged ecosystems.

## What is a Deep Tech startup?

Deep Tech includes startups working on innovative technologies that are closely linked to the frontiers of science and engineering. These companies inherently take on risk relating to the feasibility of their technologies (R&D risk), as well as the risk in proving market demand for the product which has likely not been seen before in the market (Product/Market fit risk). Deep Tech startups often start with an extended R&D phase, have a higher share of technical staff and involve hardware and/or IP.

## What is an impact Deep Tech startup?

An impact Deep Tech company fits both the criteria for being an impact startup and a deep tech startup.

## What is a Green Deep Tech startup?

A Green Deep Tech company qualifies for being both a Green Growth startup and a Deep Tech startup.

More information:

<https://dealroom.co/blog/what-is-a-startup>

## What is Research & Development (R&D) risk?

We classified the R&D risk based on the following (an affirmative response indicates low risk):

- Is the technology market mature?
- Does it require less than €100K to develop a prototype?
- Does it require less than 2 years to develop a marketable prototype?

## Which criteria did you use to classify Product/Market fit risk?

We classified Product/Market fit risk based on the following (an affirmative response indicates low risk):

- Is there an established demand in the market?
- Is there any listed company selling a similar product or device?
- Does infrastructure, legislation, and other systemic dependencies exist to support the product or service?

# Methodology & definitions

## Venture Capital, Investors

Investment numbers refer to rounds such as Seed, Series A, B, C, ... late stage, and growth equity rounds. VC investment figures exclude debt or other non-equity funding, lending capital, grants and ICOs. Investment rounds are sourced from public disclosures including press releases, news, filings and verified, user-submitted information.

When startups are successful, they develop into scaleups (>50 people), grownups (>500 people) and result in big companies, like Kry or Northvolt.

In this report, the term “tech ecosystem” refers to startups, scaleups grownups from different vintages/cohorts. Only companies founded after 1990 are included in this report.

## Sectors & Industries

Industry classification follows Dealroom’s proprietary taxonomy, which was built specifically for startups. A given startup may belong to up to two industries.

### Valuation

The combined valuation of the tech ecosystem is based on their market cap or latest transaction value.

Transaction value is realized from exit or implied unrealised valuation from the latest VC round, which is either announced or estimated by Dealroom based on benchmarks.

## Underlying Data

Dealroom’s proprietary database and software aggregate data from multiple sources: harvesting public information, user-submitted data verified by Dealroom, data engineering. All data is verified and curated with an extensive manual process.

Most underlying data from the report is available online via [impact.dealroom.co](https://impact.dealroom.co)

Job opening data has been made available by The Hub by Danske Bank.

The data on which this report builds is available on [app.dealroom.co](https://app.dealroom.co).  
For more info please visit [dealroom.co](https://dealroom.co) or contact [support@dealroom.co](mailto:support@dealroom.co).

More information:  
[Dictionary & Taxonomy - Advice and answers from the Dealroom team](#)

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