

 NORDIC

Private Capital Breakdown



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Methodology change disclosure

PitchBook continuously examines how we can provide the best estimates on aggregate deal value, which is comprised of deals with both known and unknown values (nondisclosed deals). As part of that process, we attempt to ascribe value to nondisclosed deals using a variety of known datapoints pertaining to a transaction. Our model for nondisclosed deals has demonstrated a high correlation when back tested on fully disclosed deals, where we compare predicted deal values with actual values. We have been able to further improve that correlation by incorporating expanded datasets that PitchBook has collected over the years on private companies, including employee count. This revised calculation methodology will go into effect with this report and be applied to aggregate deal values in previous years. Since aggregate deal values have been driven primarily by actual values on fully disclosed deals and, to a lesser extent, imputed values on nondisclosed deals, previously reported directional trends and rates of decrease/increase remain largely unaffected by this change. Additionally, we have enhanced our methodology for recording normalized EBITDA values for deal multiple purposes, as further described in the addendum. Please note that these methodology changes apply only to PE deals and M&A deals and not to venture-related deals.

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Click [here](#) for PitchBook's report methodologies.

Introduction

Private equity

2023 Nordic PE deal value was up 3.7% YoY, showing some regional defiance in dealmaking as European deal value dropped 26.5% YoY. The resilience in dealmaking can be attributed to take-privates, which had a record year in terms of deal value, most notably Adevin's €12.2 billion take-private—a deal that involved the largest private credit loan issued to date in Europe. However, due to rising debt costs, we saw median deal size drop 12.7% in the region, and sponsors often partnered together in club deals. Norway more than doubled deal value in 2023, a year that could be pivotal for its sovereign wealth fund, which is inching closer to adding private equity to its asset allocation. A parliamentary vote in spring 2024 will determine this.

Exit activity fell to a decade low for the Nordics in 2023, a complete reversal from 2022's show of resilience. The issue in 2023 had to do with valuation discrepancies as the environment shifted from a seller's market to a buyer's market. The IPO window remained shut with only two PE exits to public listings in 2023. Deals outpaced exits by a factor of 2.5x, highlighting the issues the PE industry faces.

Nordic PE fundraising dropped to its lowest level since 2017 in terms of capital raised, raising a mere €4.3 billion across only 10 funds. This echoed the global sentiment that fundraising was difficult in a rising interest rate environment characterised by high borrowing costs and low exit activity. EQT fund X, targeted at €20 billion, was supposed to close in August 2023, but the Swedish PE giant extended the deadline. The fund eventually closed at the end of February 2024, raising €22 billion.

Venture capital

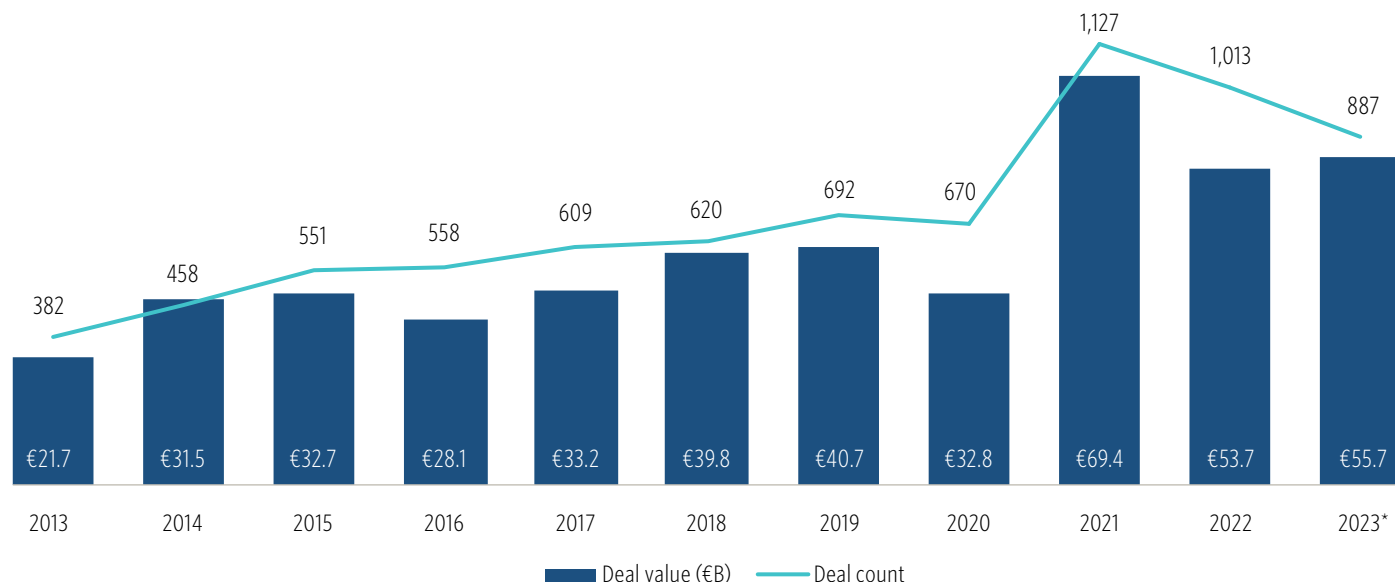
In the Nordics, the 2023 total deal value of €5.9 billion declined 47.1% YoY, in line with Europe overall. Quarterly trends have not shown many signs of recovery in the region. Cleantech technologies continue to be prevalent among the top deals. We believe large raises from the likes of H2 Green Steel or Northvolt are evidence of the structural demand for sustainable technologies in the energy transition. Regarding stage, early-stage companies hold the largest share of value. On median valuations, the biggest YoY gains were in the late stage, up 31.5% YoY. The lion's share of deal value still sits in Sweden, although the country has been losing share. We have also updated our European VC hubs heatmap, showing Stockholm overtake Berlin as a top-three city. By sector, biotech & pharma has increased in share as software deals decline.

2023's overall exit value of €1.6 billion declined 72.2% YoY. Acquisitions made up the majority of Nordic exit value at 97.7% of deal count. The Nordics also saw a higher share of buyouts than Europe. Conventionally, public listings have held a much larger share of exit value, but given the dynamics in wider markets, it makes sense that only five listings took place last year in the Nordics. Within the region, it appears that activity is driven mainly by exchanges in Sweden and Norway. We would therefore be keen to see how several already-mentioned listings impact exit value in the region, such as Northvolt's intention to IPO. Overall, Sweden and software lead regarding regional and sectoral shares of exit count.

Total capital raised in the Nordics during 2023 amounts to €1.2 billion, down 51.6% YoY, raised over 16 vehicles. Most of these funds sit in the lower size bracket of €50 million to €100 million. The majority of capital raised within the region has always fallen to emerging funds, opposed to the rest of Europe where the division of capital raised between both categories favours experienced managers.

PE deals

PE deal activity

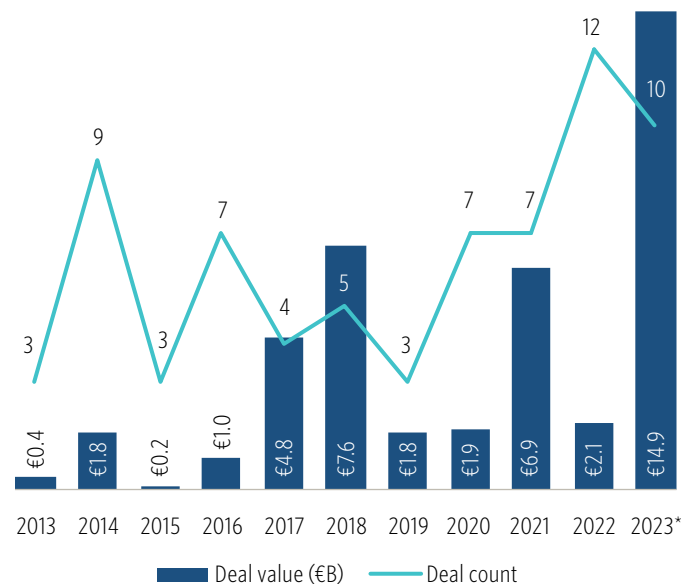


Source: PitchBook • Geography: Nordics • *As of December 31, 2023

Nordic dealmaking appetite was fuelled by take-privates

2023 Nordic PE deal value was up 3.7% YoY, showing some regional defiance in dealmaking trends, while wider European deal value dropped 26.5% YoY, as noted in our [2023 Annual European PE Breakdown](#). Most of the Nordic countries run an independent monetary policy, which has helped the respective countries curb inflation substantially faster even though the central banks have more or less been on a similar monetary tightening schedule as the European Central Bank. The resilience in Nordic dealmaking can be attributed to the three megadeals of 2023, most notably the take-private of Adevinta for €12.2 billion. Announced in Q4 and yet to close, the megadeal for the online classifieds company would be one of the largest European take-privates ever and is currently being led by a consortium of PE giants including Permira, Blackstone, and General Atlantic. Furthermore, the deal has secured the largest private credit loan issued to date in Europe at €4.5 billion. This deal alone represented over a fifth of the Nordic deal value in 2023. The region saw its best year in terms of take-private deal value, with 10 companies taken private in 2023 worth a combined €14.9 billion—half of them listed in Norway.

Take-private PE deal activity



Source: PitchBook • Geography: Nordics • *As of December 31, 2023

Nordic interest and inflation rates*

Country	Currency	Currency code	Central bank	December 2022 interest rate	December 2023 interest rate	January 2024 YoY inflation rate
Denmark	Krone	DKK	Danmarks Nationalbank	2.10%	3.60%	1.2%
Finland	Euro	EUR	European Central Bank	2.50%	4.00%	4.4%
Iceland	Króna	ISK	The Central Bank of Iceland	6.50%	9.25%	6.7%
Norway	Krone	NOK	Norges Bank	2.75%	4.50%	4.7%
Sweden	Krona	SKK	Sveriges Riksbank	3.00%	4.00%	5.4%

Sources: Central banks and national statistics offices • Geography: Nordics • *As of December 31, 2023

GPs team up to play

2023 will be remembered by GPs as the year their borrowing costs skyrocketed as interest rates increased. This led to interesting developments within the industry, particularly in the Nordic region.

First, we saw club deal activity increase substantially in 2023 as sponsors' rising debt costs started requiring them to work together to get deals done. We also saw club deals involving PE firms teaming up with other investor types such as corporates. One such example was the €1.1 billion restructuring of Scandinavian Airlines in Q4 involving Castlelake and Air France-KLM Group, as well as the Danish state.

Second, we saw deals get smaller in 2023, with the median deal size in the Nordics dropping 12.7% YoY. The shrink in deal size occurred hand-in-hand with the increased popularity of add-on deals, which tend to be faster and cheaper to execute for sponsors and are often complimentary to their existing portfolios. Nordic bolt-ons represented a decade high of 70.5% of all buyout deals, a slight uptick from the previous year.

Third, we have seen some sectorial shifts in deal activity. In 2023, sponsors sought inflation-protected assets, which could benefit in a rising interest rate environment. As such, we saw financial services show the most resilience in deal activity growth YoY after 2022 marked the worst year on record for the sector.

Norway is hungry for private equity

Historically, Sweden has been the dominant market for private capital, accounting for an average of 36.8% of deal value in the Nordic region and 40.8% of deal count. However, in 2023, Norway outperformed, increasing deal value by 150.3% YoY from €9.3 billion in 2022 to €23.2 billion in 2023. Norway accounted for six of the top 10 deals in the Nordic region in 2023, including three take-privates off the Oslo Stock Exchange.

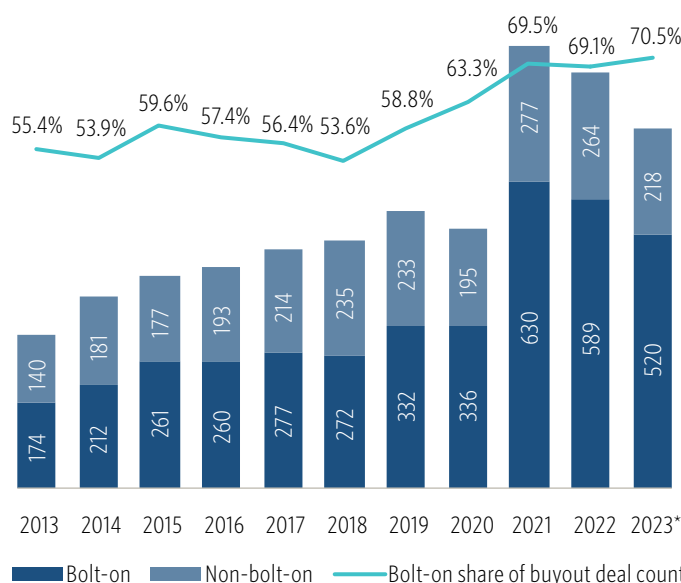
The big question surrounding Norway is whether its sovereign wealth fund, which is the largest in the world at over \$1.5 trillion,

Buyout PE deal activity involving multiple sponsors



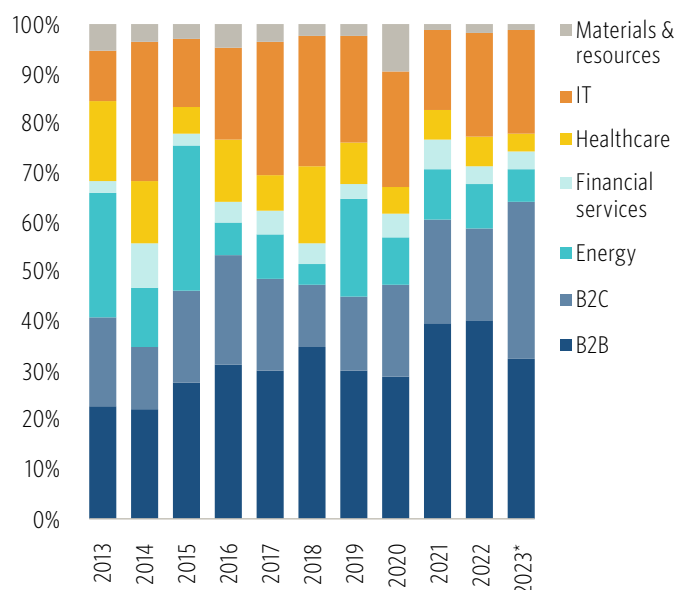
Source: PitchBook • Geography: Nordics • *As of December 31, 2023

Bolt-on deal count as a share of all buyout deals



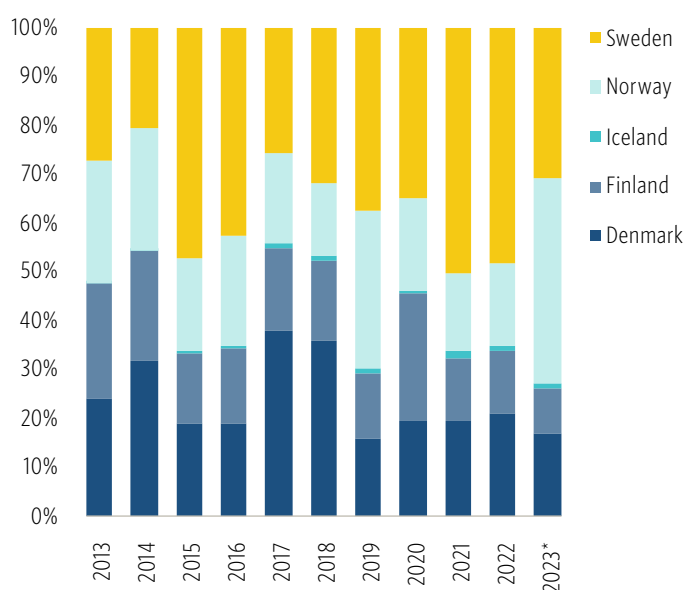
Source: PitchBook • Geography: Nordics • *As of December 31, 2023

Share of PE deal value by sector



Source: PitchBook • Geography: Nordics • *As of December 31, 2023

Share of PE deal value by country



Source: PitchBook • Geography: Nordics • *As of December 31, 2023

will start including private equity investments soon. Historically, The Government Pension Fund Global has followed an investment philosophy focused on earning risk premiums mostly through buying and holding equities, attempting to diversify away from the country's reliance on oil revenue. Currently, the fund, which is managed by Norges Bank Investment Management, holds 8,850 equities accounting for about 70.9% of its asset allocation with the rest invested in fixed income (27.1%), real estate (1.9%), and renewable energy infrastructure (0.1%).¹ This has helped the country of Norway earn an annual return of 5.99% since 1998. Over the past 20 years, the inclusion of private equity and alternative investments more broadly has been shunned on numerous occasions, but the case is stronger

than ever this year and will be put to a vote in the Norwegian parliament in spring 2024.² The idea would be to allow for a 3% to 5% target allocation to private equity funds, which would mean up to \$70 billion of the fund's current AUM. One of the arguments is that the market for unlisted assets has grown in recent years relative to the market for listed assets. This move would be a game changer for the entire industry as the fund would become one of the largest investors in private equity once the commitments are made. This does, however, require a vote in parliament in favour of a change in investment philosophy, essentially moving away from the "Norway model" and more towards the "endowment model," which allows for an allocation to alternatives managed externally.

Top 10 PE deals in 2023 by value*

Company	Deal date	Deal value (€M)	Deal type	Industry	Country
Adevinta	September 21	€12,159.8	Public to private	Media	Norway
Kahoot!	July 14	€1,473.7	Public to private	Software	Norway
Scandinavian Airlines	October 3	€1,106.9	Add-on	Transportation	Sweden
Ellab	June 21	€939.4	Secondary buyout	Commercial products	Denmark
Macrobond Financial	July 9	€700.0	Management buyout	Commercial services	Sweden
Otovo	October 6	€700.0	Asset acquisition	Other energy	Norway
Frøy	June 5	€559.0	N/A	Commercial services	Norway
Norsk Gjenvinning	January 1	€550.0	Secondary buyout	Commercial services	Norway
Meltwater	January 18	€543.7	Public to private	Software	Norway
Scan Global Logistics	February 5	€469.4	Management buyout	Commercial services	Denmark

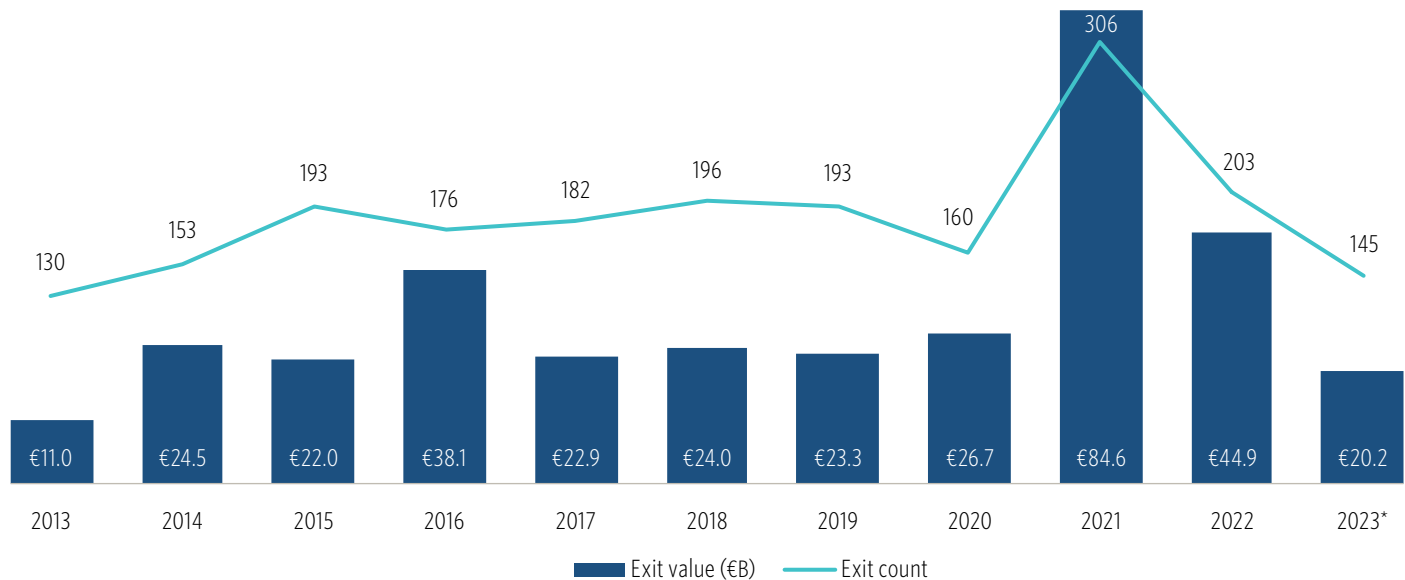
Source: PitchBook • Geography: Nordics • *As of December 31, 2023

1: "Investments," Norges Bank Investment Management, n.d., accessed February 27, 2024.

2: "Norway Wealth Fund Could Invest \$70 Bln in Private Equity," Reuters, Victoria Klesty and Terje Solsvik, November 28, 2023.

PE exits

PE exit activity



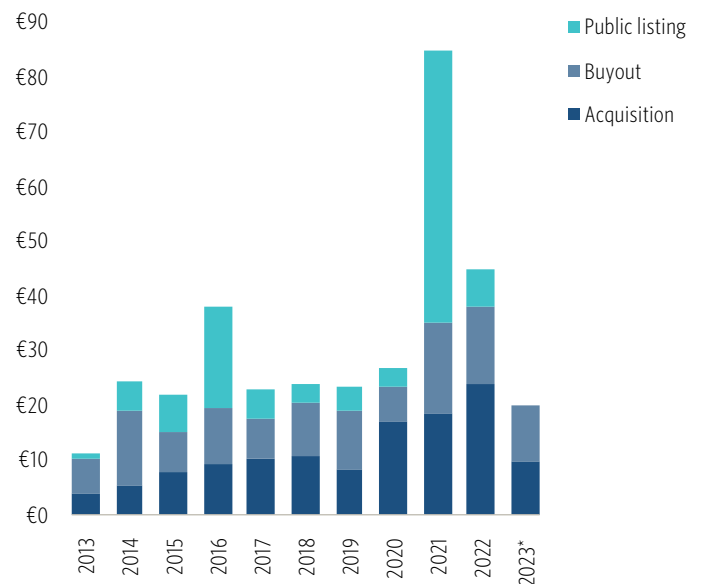
Source: PitchBook • Geography: Nordics • *As of December 31, 2023

Exit activity is at a decade low due to price dislocation

Exit activity in the Nordics has completely dried up and is the worst in a decade for the region in terms of both exit value and exit count. It is in fact quite the opposite from the dynamic occurring in deal activity: 2023 exit value more than halved from the previous year, compared to staying about flat for the European continent. Interestingly, financing and higher borrowing costs have not been the hurdle as the Nordic market is full of various deal financing options such as access to private credit, net asset value financing, or even local syndicated loans. The issue in 2023 was valuation discrepancy. We witnessed a price dislocation occur in the market as we shifted from a seller's market to a buyer's market. Sellers are unwilling to sell at lower valuations and will hold on to their assets longer in the hope prices will bounce back. Meanwhile, buyers have expected to acquire assets at a discount over the past few years.

A further explanation is that the IPO market has been somewhat muted for the past two years as public equities have seen a correction in valuations, thus making it unattractive to sponsors to exit via public listing. In the Nordic region, we saw only two public listings in 2023. For comparison, the region averaged 22 IPOs annually for the past 10 years. This has pushed sponsors to seek alternative

PE exit value (€B) by type

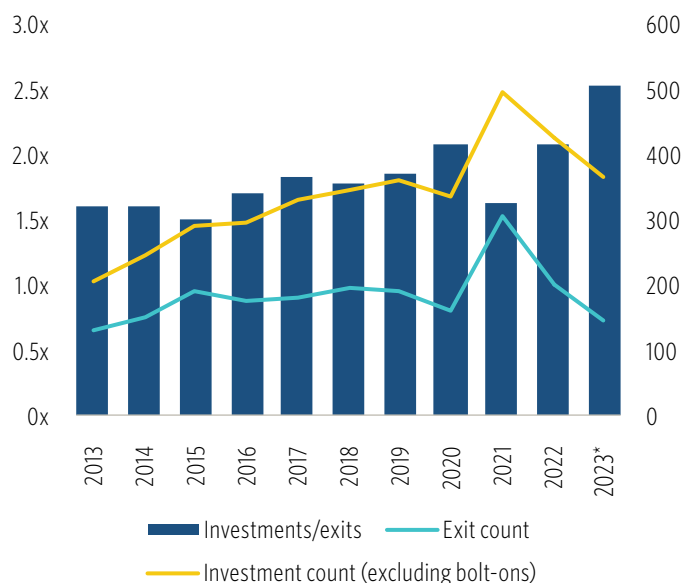


Source: PitchBook • Geography: Nordics • *As of December 31, 2023

exit routes, especially for those needing to return capital to their LPs. We have seen sponsors sell to corporates and family offices, which can have deeper pockets than other buyout firms—as well as higher synergies in the long term—and as such they are willing to pay a higher price. Finally, there has even been talks of new exit routes, with Swedish PE giant EQT floating the idea of a private IPO.³

3: "EQT Testing Private Stock Sales as IPO Markets 'Dysfunctional,'" Financial Times, Antoine Gara, October 17, 2023.

PE investment/exit ratio



Source: PitchBook • Geography: Nordics • *As of December 31, 2023

We expect a slight recovery in exits in 2024 as the IPO market starts opening up, which should happen as monetary policy starts easing and public markets recover. However, in the context of PE, we expect deals to continue outpacing exits by a factor of at least 2.5x as outlined in our [2024 European Private Capital Outlook](#). We think the Nordic region could even reach a factor of 3x, meaning that for every one exit, three deals are closed. This would assume deals continue pushing higher while exits remain sluggish.

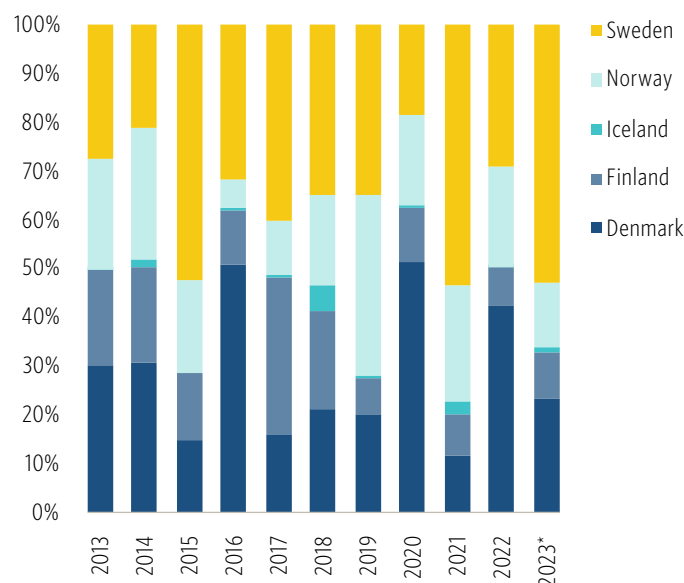
Swedish resilience

Regionally, exit value showed the most resilience in Sweden, which was down only 18.7% YoY, compared with Denmark and Norway, which saw exit value plummet 75.5% and 70.6%, respectively. The largest exit in 2023 saw Swedish PE firm Summa Equity AB exit its investment in Olink, which it had acquired in 2019, selling to Thermo Fisher Scientific. The second-largest exit was also Swedish: Diaverum was sold to M42, helping three PE firms exit for a total of €2.1 billion.

Smaller exits

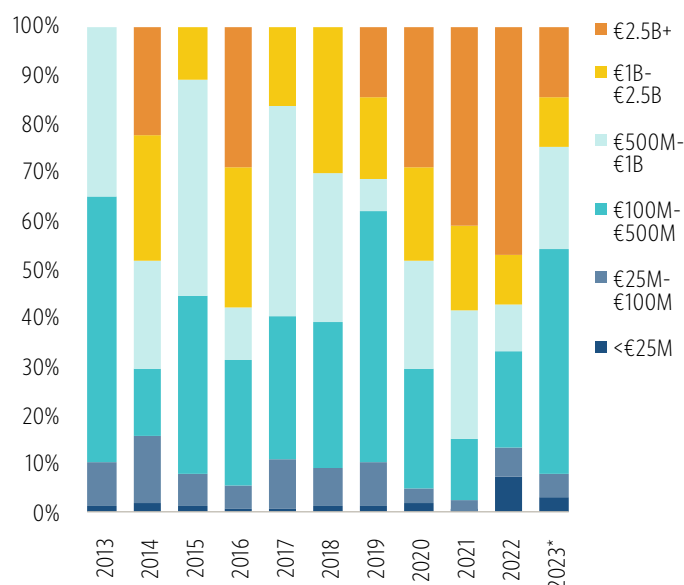
The drought and lack of appetite in exits meant exits became smaller in 2023. The €100 million to €500 million size bucket is the only bracket to have experienced YoY growth in both value and count. In contrast, megaexits fell 80.5% YoY due to sponsors waiting to see how the market evolved. Clearer signs of a recovery only came towards the end of 2023, and as such, we expect more megaexits in 2024 for the Nordic region.

Share of PE exit value by region



Source: PitchBook • Geography: Nordics • *As of December 31, 2023

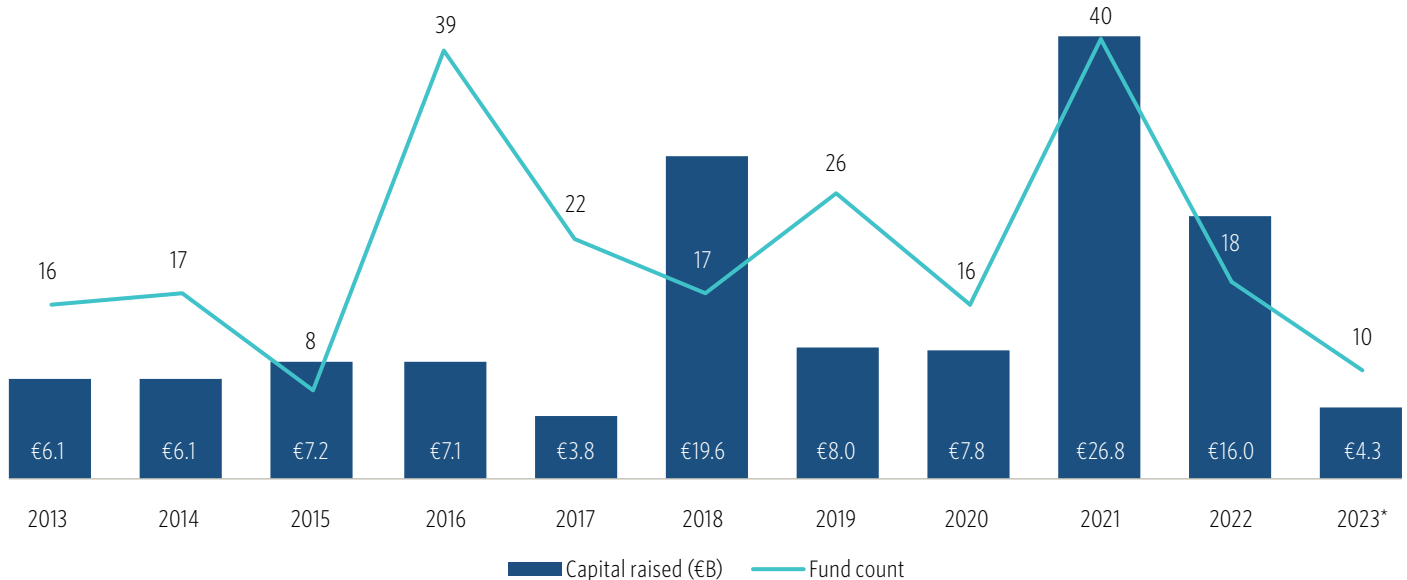
Share of PE exit value by size bucket



Source: PitchBook • Geography: Nordics • *As of December 31, 2023

PE fundraising

PE fundraising activity

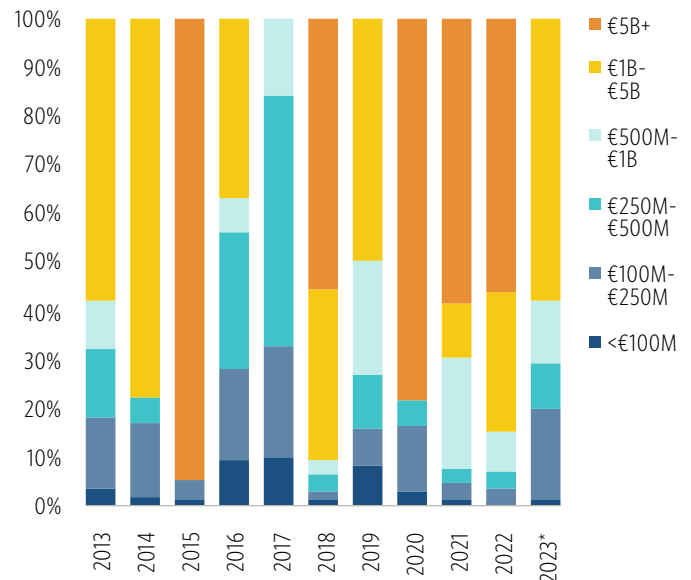


Source: PitchBook • Geography: Nordics • *As of December 31, 2023

Looking for kronas

In 2023, Nordic PE fundraising was at its lowest since 2017 in terms of capital raised, raising a mere €4.3 billion across only 10 funds. This echoes the global sentiment that fundraising was difficult in a rising interest rate environment characterised by high borrowing costs and low exit activity. The PE funnel relies on exits occurring, which are then redistributed as carried interest for LPs to reinvest in new funds. However, the PE funnel has been dysfunctional, and as such, fundraising has been tough for most middle-market funds and first-time managers. At the European level, an exception has been the rise of the megafunds, which rely on their reputations and track records to secure fundraising as explained in the [2023 Annual European PE Breakdown](#). The Nordic region saw only two megafunds close in 2023: Norway's Norvestor fund IX and Sweden's Fidelo Capital fund III. 2023 was supposed to see the EQT fund X close with a target of €20 billion. However, Bloomberg reported in June that the firm was extending the deadline from August 2023 to February 2024 to allow "new investors extra time to finalise their subscriptions, as well as let the firm bring more private wealth platforms on board."⁴ This has been the reality of a challenging fundraising environment, which has pushed sponsors to extend their horizons. As of

Share of PE fundraising value by size bucket



Source: PitchBook • Geography: Nordics • *As of December 31, 2023

late February 2024, EQT X has now closed its fund at €22 billion.⁵ The fund originally opened in December 2021. This will most likely be the largest fundraising of 2024 for Europe and the second-largest fundraising ever in the region.

4: "EQT Seeks More Time to Close €20 Billion Flagship Fund," Bloomberg, Aaron Kirchfeld and Swetha Gopinath, June 26, 2023.

5: "EQT Raises €22bn for Private Equity Deals," Financial Times, Will Louch and Antoine Gara, February 26, 2024.

PE funds closed in 2023 by value*

Fund	Fund value (€M)	Close date	Fund type	Fund location
Norvestor IX	€1,500.0	October 25	Buyout	Norway
Fidelio Capital III	€1,000.0	June 26	Buyout	Sweden
Summa Circular (No. 1)	€550.0	November 10	Buyout	Sweden
Procuritas Capital Investors VII	€407.0	April 11	Buyout	Sweden
Longship III	€196.6	January 27	Buyout	Norway
eEquity V	€180.0	December 28	PE growth/expansion	Sweden
Monterro 5	€150.0	January 26	PE growth/expansion	Sweden
Turnstone Private Equity I	€146.3	October 31	Buyout	Norway
Ceder Capital III	€135.9	January 1	Buyout	Sweden
IS Haf fjärvár slhf	€65.1	March 20	Buyout	Iceland

Source: PitchBook • Geography: Nordics • *As of December 31, 2023

Experience is key

Given the lack of economic growth in the Nordic region, and in Europe generally in 2023, we have seen LPs turn their focus back to the bread and butter of private equity—leveraged buyouts. Over 90% of capital raised in 2023 went to buyout funds at the expense of PE growth/expansion funds, which had gained some momentum in 2022 as described in the [2023 Nordic Private Capital Breakdown](#). In a rising interest rate environment, capital becomes less readily available across the financial spectrum, from LPs to GPs to the corporates they are buying and selling. As such, LPs tend to narrow their managers down to those with the most experienced track records, which usually means seeking funds that are part of an established fund family, as was the case for nine out of the 10 funds closed in 2023.

Continuation funds

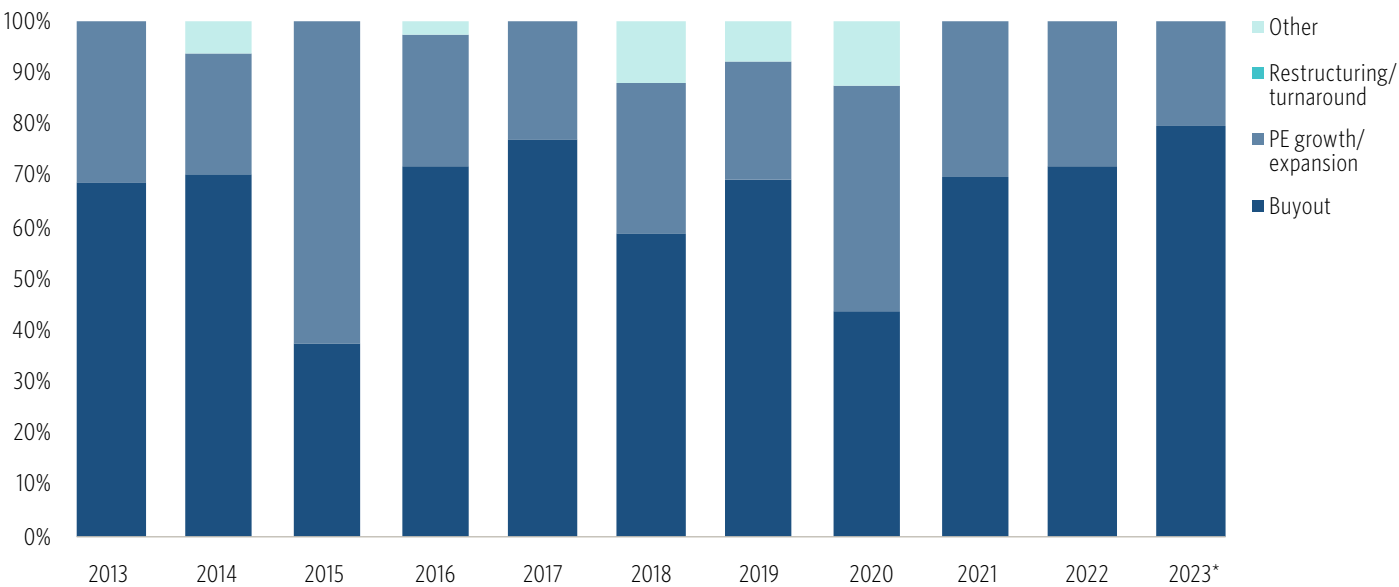
One of the 10 funds closed in the Nordic region in 2023 was Summa Equity's Circular fund, which was a single-asset continuation vehicle designed for the sole purpose of rolling over Norwegian biowaste company, Norsk Gjenvinning.

The company was acquired through a sponsor-to-sponsor deal from Altor Equity Partners in 2017, and since then performed at 2x to 3x its multiple on invested capital.⁶ Summa describes the company as a critical part of the Nordic circular economy, and given its performance to date following a buy-and-build model, the company has decided to keep its investment for longer. However, the transfer of the asset from the original Summa Equity Fund I to the newly established continuation fund has created an opportunity for existing LPs to exit and new ones to buy in.

Continuation funds, also referred to as GP-led secondary funds, have increased in popularity in the past year given the lack of exit opportunities. They offer more options to both the GP and the LP by offering each party a solution. The LPs wishing to exit can redeem their capital, but they also have the choice to continue the investment journey. New LPs that perhaps missed the opportunity earlier can be welcomed, while GPs reluctant to sell what is often their crown jewel asset can continue growing it. For more on this topic, please read our [Q2 2023 Analyst Note: The Evolution of Private Market Secondaries](#).

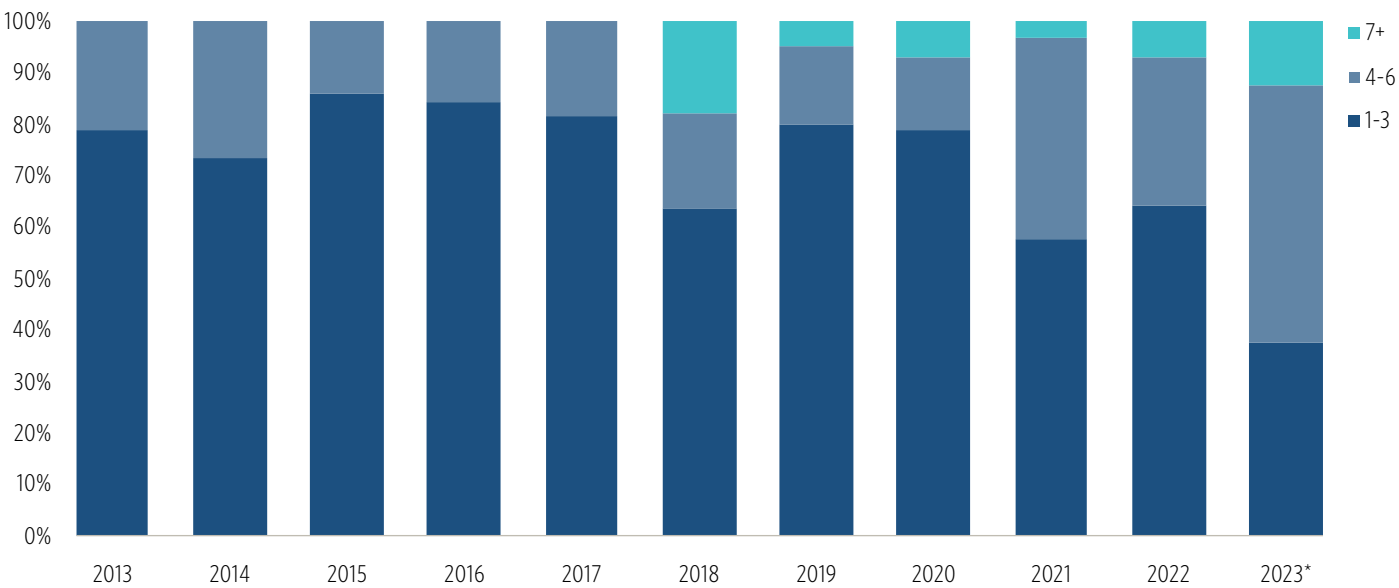
6: "Summa Prepares Secondaries Deal to Hold Onto Waste Management Asset," New Private Markets, Snehal Shah and Madeline Farman, January 13, 2023.

Share of PE fund count by type



Source: PitchBook • Geography: Nordics • *As of December 31, 2023

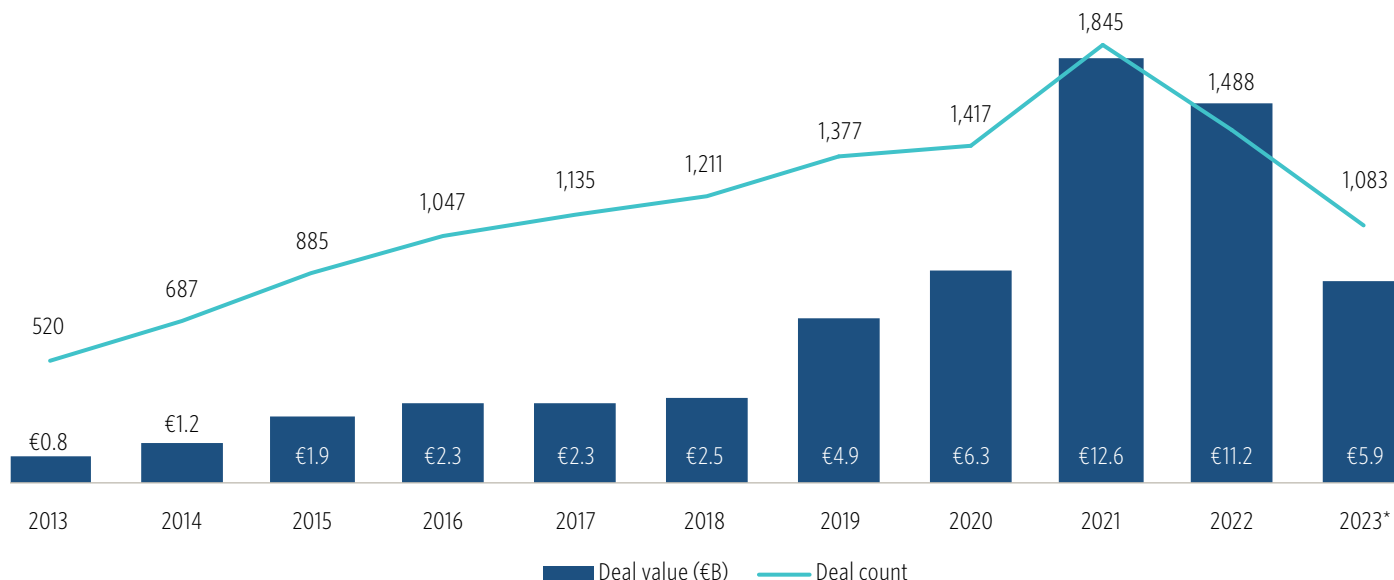
Share of PE fund count by number of funds in fund family



Source: PitchBook • Geography: Nordics • *As of December 31, 2023

VC deals

VC deal activity



Source: PitchBook • Geography: Nordics • *As of December 31, 2023

Pockets of activity persist despite the mixed landscape

In 2023, Stockholm overtook Berlin in terms of deal value. The various venture ecosystems and wider economic dynamics in each country within the Nordics all present different areas to watch going into 2024. For Finland, geopolitics is at the front and centre of the country, which is navigating a new president and its recent admission to NATO in 2023. This comes under a wider backdrop of growing pressures from the Russian border. Regarding private markets, Helsinki has fallen out of the top 15 cities in Europe by deal value, having made an appearance in 2022. Government intervention within venture has been limited compared to other hubs such as Stockholm. Given such geopolitical pressures, we do not expect there to be much change here. Regarding Stockholm, the city overtook Berlin as a top-three hotspot in 2023 with a deal value of €3.4 billion. The city also seems to be closing the gap to Paris, which ended 2023 with a deal value of €4.0 billion. Elsewhere in the Nordics, lower-than-expected inflation in Norway and Denmark seen in October 2023 provided some encouragement for a more dovish environment in 2024 with the central bank for Norway, called Norges, keeping interest rates flat at 4.5% in January following a hike of 25 basis points in December 2023.

In the Nordics, the overall 2023 deal value of €5.9 billion declined 47.1% YoY, in line with declines seen in the rest of Europe. Declines in Nordic deal count were also similar to the rest of the continent, down 27.2% YoY, however the Nordics showed contrast with venture-growth count up 5.8% YoY. Quarterly trends have not shown many signs of recovery in the region, with deal value broadly flat throughout 2023. Within the top 10 Nordic deals in 2023, the healthcare and B2B sectors were most prevalent, and by country, Denmark was the most frequently listed. The largest deal was H2 Green Steel's financing, as covered in our [2023 Annual European Venture Report](#). The early-stage company raised €1.5 billion of equity financing (and has since gone on to raise more financing via debt) to fund the construction of a flagship green steel plant in Sweden. Elsewhere regarding sustainable supply chains, farmed salmon company GeoSalmo raised the equivalent of €136.2 million in 2023, and similar to H2 Green Steel, has since gone on to raise a further round for capital expenditure expenses in 2024.⁷ The cleantech investments continued in top Nordic deals last year, with lithium-ion battery manufacturer Northvolt raising finances to build a factory in Canada.

7: "GeoSalmo Completes Financing Round," GeoSalmo, Laufey Kristín Skúladóttir, January 2, 2024.

Top 15 European cities by VC deal value (€B)*

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023*
London (€1.4)	London (€2.0)	London (€3.5)	London (€3.4)	London (€7.6)	London (€7.3)	London (€8.8)	London (€10.2)	London (€22.2)	London (€26.3)	London (€11.9)
Berlin (€0.8)	Berlin (€1.2)	Berlin (€2.3)	Paris (€1.4)	Berlin (€2.0)	Paris (€2.4)	Paris (€2.9)	Paris (€4.7)	Berlin (€9.3)	Paris (€8.0)	Paris (€4.0)
Moscow (€0.6)	Paris (€0.6)	Stockholm (€0.8)	Stockholm (€1.2)	Paris (€1.4)	Berlin (€2.2)	Berlin (€2.6)	Berlin (€3.5)	Paris (€6.5)	Berlin (€6.5)	Stockholm (€3.4)
Paris (€0.4)	Amsterdam (€0.5)	Paris (€0.7)	Berlin (€1.0)	Stockholm (€1.0)	Tel Aviv (€1.3)	Stockholm (€2.5)	Stockholm (€2.6)	Stockholm (€6.2)	Stockholm (€5.1)	Berlin (€2.7)
Dublin (€0.3)	Tubingen (€0.5)	Tel Aviv (€0.6)	Tel Aviv (€0.6)	Tel Aviv (€0.8)	Dublin (€0.8)	Tel Aviv (€1.8)	Tel Aviv (€2.5)	Tel Aviv (€5.5)	Tel Aviv (€4.8)	Tel Aviv (€2.6)
Stockholm (€0.3)	Moscow (€0.4)	Abingdon (€0.5)	Cambridge (€0.6)	Dublin (€0.4)	Cambridge (€0.7)	Munich (€1.3)	Munich (€1.0)	Amsterdam (€4.4)	Munich (€3.1)	Munich (€1.9)
Cambridge (€0.2)	Stockholm (€0.4)	Saint Helier (€0.4)	Dublin (€0.5)	Cambridge (€0.4)	Stockholm (€0.6)	Cambridge (€0.9)	Barcelona (€0.9)	Lisbon (€3.7)	Zurich (€1.7)	Grenoble (€1.5)
Herzliya (€0.2)	Dublin (€0.3)	Dublin (€0.4)	Munich (€0.4)	Amsterdam (€0.4)	Harrogate (€0.6)	Amsterdam (€0.8)	Dublin (€0.8)	Munich (€2.4)	Milan (€1.5)	Amsterdam (€1.1)
Tel Aviv (€0.2)	Munich (€0.2)	Oss (€0.3)	Chevilly-Larue Cedex (€0.4)	Barcelona (€0.3)	Munich (€0.6)	Mainz (€0.7)	Zurich (€0.7)	Cambridge (€2.0)	Amsterdam (€1.5)	Cambridge (€1.1)
Leuven (€0.1)	Tel Aviv (€0.2)	Cambridge (€0.3)	Barcelona (€0.3)	Munich (€0.3)	Zurich (€0.5)	Barcelona (€0.6)	Oxford (€0.6)	Madrid (€1.6)	Tallinn (€1.4)	Copenhagen (€0.9)
Ballerup (€0.1)	Cambridge (€0.2)	Herzliya (€0.3)	Senningerberg (€0.3)	Herzliya (€0.3)	Amsterdam (€0.5)	Helsinki (€0.6)	Helsinki (€0.6)	Copenhagen (€1.6)	Barcelona (€1.4)	Zurich (€0.8)
Amsterdam (€0.1)	Barcelona (€0.2)	Amsterdam (€0.2)	Oxford (€0.3)	Madrid (€0.3)	Hamburg (€0.5)	Copenhagen (€0.6)	Amsterdam (€0.6)	Barcelona (€1.6)	Helsinki (€1.3)	Madrid (€0.8)
Barcelona (€0.1)	Herzliya (€0.2)	Barcelona (€0.2)	Amsterdam (€0.3)	Ellon (€0.3)	Barcelona (€0.4)	Zurich (€0.6)	Eindhoven (€0.6)	Dublin (€1.4)	Madrid (€1.2)	Barcelona (€0.8)
North Yorkshire (€0.1)	Edinburgh (€0.1)	Munich (€0.2)	Lausanne (€0.2)	Zurich (€0.2)	Oxford (€0.4)	Paloznak (€0.5)	Tubingen (€0.6)	Moscow (€1.2)	Hamburg (€1.1)	Birmingham (€0.6)
Netanya (€0.1)	Abingdon (€0.1)	Moscow (€0.2)	Madrid (€0.2)	Zug (€0.2)	Madrid (€0.4)	Budapest (€0.4)	Cambridge (€0.6)	Tallinn (€1.2)	Cambridge (€1.1)	Dublin (€0.6)

■ UK & Ireland
 ■ France & Benelux
 ■ DACH
 ■ Israel
 ■ Southern Europe
 ■ Nordics
 ■ Central & Eastern Europe

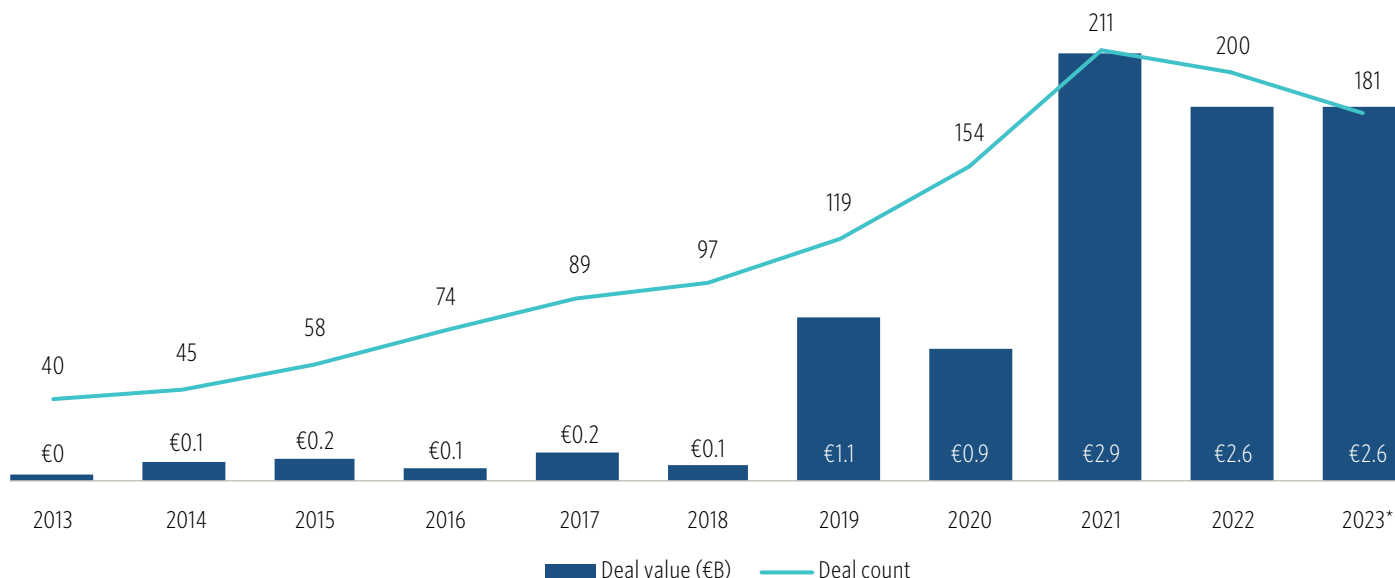
Source: PitchBook | **Geography:** Europe
*As of December 31, 2023

Top 10 VC deals in 2023 by value*

Company	Close date	Deal size (€M)	Deal type	Industry	Country
H2 Green Steel	September 7	€1,500.0	Early-stage VC	Materials & resources	Sweden
Hostaway	May 31	€160.8	Late-stage VC	B2B	Finland
Geo Salmo	March 10	€136.2	Early-stage VC	Materials & resources	Iceland
Northvolt	November 21	€135.7	Venture Growth	B2B	Sweden
Hemab Therapeutics	February 15	€124.8	Early-stage VC	Healthcare	Denmark
Kongsberg Digital	June 2	€82.8	Late-stage VC	IT	Norway
Adcendo	April 4	€82.0	Late-stage VC	Healthcare	Denmark
NMD Pharma	November 15	€75.0	Venture growth	Healthcare	Denmark
Controlant	November 27	€74.3	Venture growth	B2B	Iceland
Unibio	July 5	€64.4	Venture growth	Healthcare	Denmark

Source: PitchBook • **Geography:** Nordics • *As of December 31, 2023

Cleantech VC deal activity



Source: PitchBook • Geography: Nordics • *As of December 31, 2023

Cleantech technologies continue to be prevalent among top deals not just in the Nordics but in Europe as a whole. Regarding stage, early-stage companies held the largest share of deal value in the Nordics at 43.2% in 2023, opposed to the late stage being the highest for Europe as a whole. Regarding median valuations, the biggest YoY gains were in the late stage, up 31.5% YoY. In line with Europe as a whole, venture growth lagged the most, with the median valuation down 78.6% YoY despite the higher count of deals in 2023.

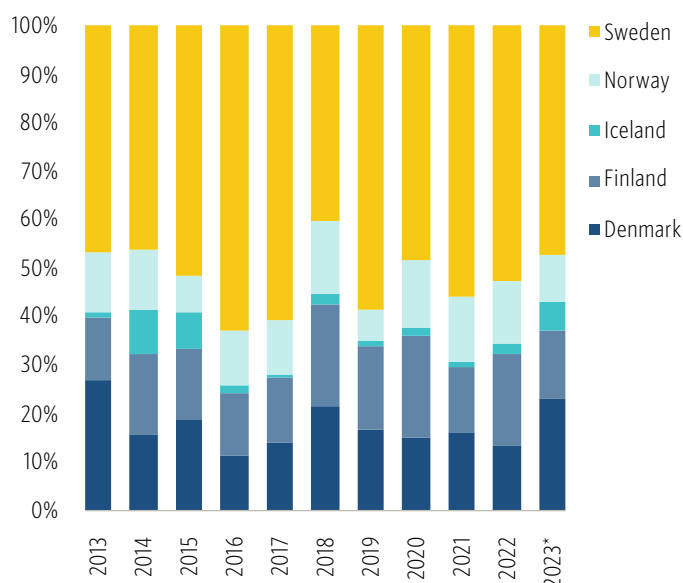
Sweden loses share despite Stockholm gaining momentum

The majority of deal value still sits in Sweden, although the country has been losing share. As a percentage of overall Nordics deal value, Sweden sat at 47.0% in 2023, marking further decline since 2021 and the lowest level since 2018. The biggest gainer was Denmark, with 23.4% of deal value in 2023. As a standalone region, this share is still behind leader Sweden, where share is still double that of Denmark. However, there is not a large presence of anomaly deals within the region, evidencing a more sustainable level of development in the country rather than deal values that are skewed by a few large deals. Looking forward, it will be interesting to see how regional dynamics develop as less mature ecosystems within venture capital continue to grow.

Cleantech continues to be prevalent regionally, but Tesla faces barriers

By sector, biotech & pharma has increased in share as software deals decline. Software remains the most prevalent sector in the region, accounting for 20.5% of

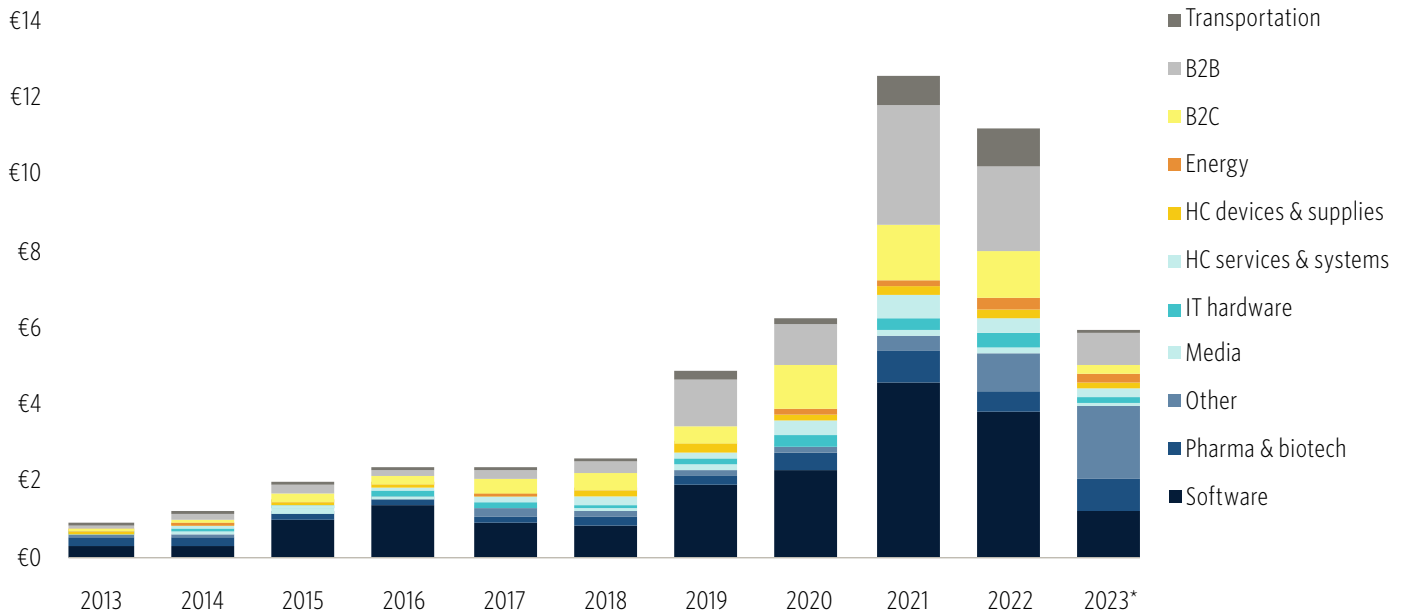
Share of VC deal value by country



Source: PitchBook • Geography: Nordics • *As of December 31, 2023

deal value. However, biotech & pharma are now closer behind at 14.2% of value in 2023. We also note that the move in shares last year can partly be attributed to more deals being classified as "other," including the largest, H2 Green Steel's round, affecting shares of other sectors in the region. Therefore, we also look at vertical over sector, which segments our data into more industry-specific applications. Taking this view, we see cleantech, the vertical encompassing deals such as Northvolt's, with a deal value of €2.6 billion in 2023, showing significantly more resilience than other key verticals in the Nordics, flat YoY. Since 2023, Northvolt specifically has gone on to raise \$5 billion of debt,

VC deal value (€B) by sector



Source: PitchBook • Geography: Nordics • *As of December 31, 2023

the largest “green loan” raised in Europe to date.⁸

We believe such large raises from key stakeholders within European private markets continue to evidence the structural demand for sustainable technologies in the energy transition. However, the environment has not been as conducive for all tech companies, with Tesla facing a labour dispute in the region, leading to Denmark stopping the transport of Tesla vehicles to Sweden, the country in dispute with the company.⁹ Since then, in February 2024, another Swedish union warned it may take action against

Tesla.¹⁰ This would involve ceasing to install and service Tesla charging stations in the country. The move is in solidarity with the collective agreement led by trade union IF Metall. We believe the extent to which such positions could impact the development of electric vehicles in the region is unclear, but the policies could be meaningful as other Nordic countries adopt measures against Tesla. For instance, in December 2023, the transport workers union in Finland voted to join a boycott of all Tesla vehicles and components en route to Sweden.¹¹

8: “Northvolt Confirms \$5bn Debt Financing Round,” Financial Times, Richard Milne, January 15, 2024.

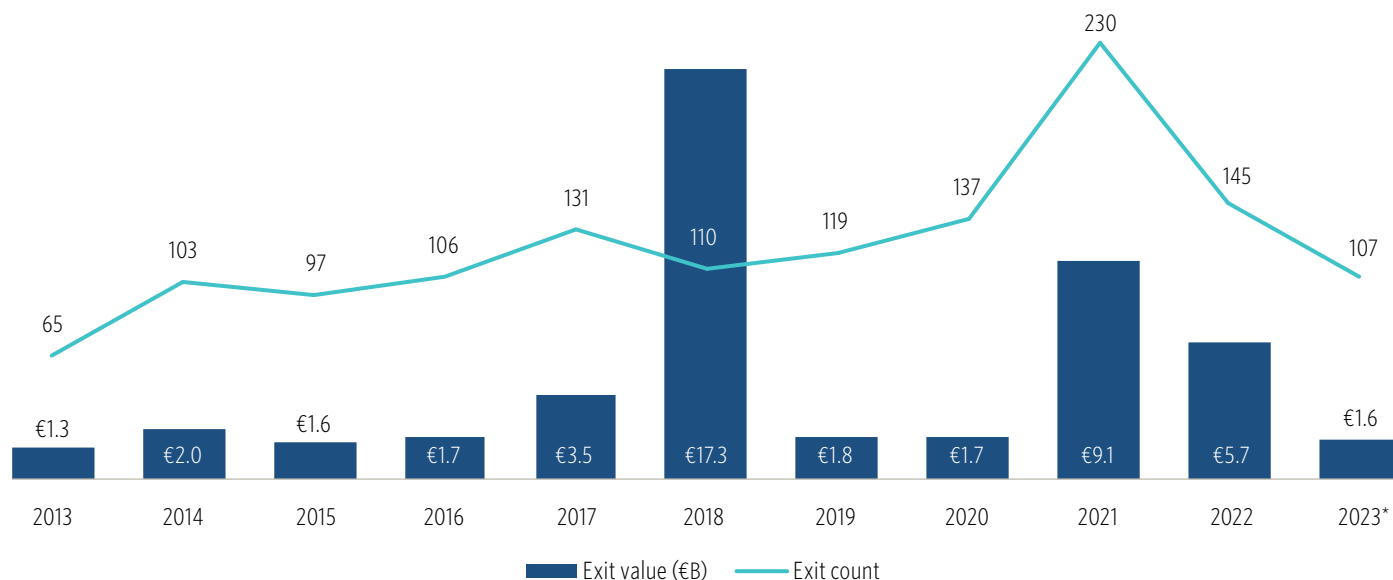
9: “Tesla Battle With Swedish Unions Spreads to Denmark,” Financial Times, Richard Milne, December 5, 2023.

10: “Another Swedish Union Warns of Action Against Tesla,” Reuters, Anna Ringstrom, February 21, 2024.

11: “Finland’s AKT Agrees to Join Sympathy Actions Against Tesla,” Helsinki Times, Aleksi Teivainen, December 8, 2023.

VC exits

VC exit activity



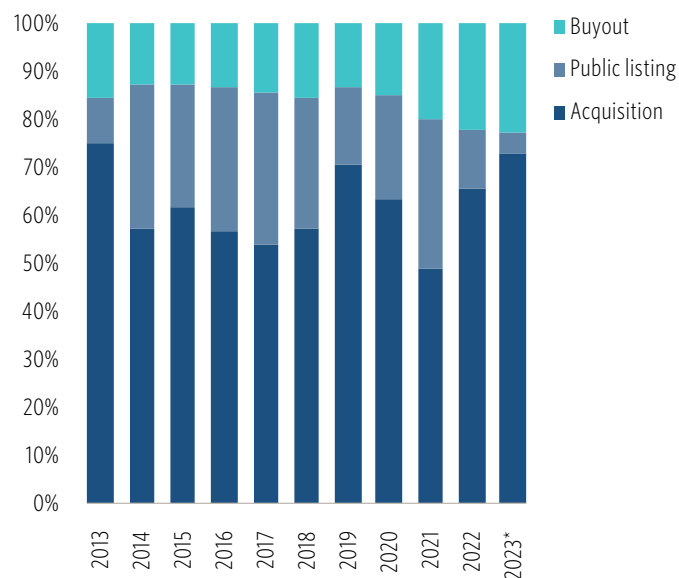
Source: PitchBook • Geography: Nordics • *As of December 31, 2023

Exit trends follow Europe, bar a higher share of buyouts

In 2023, acquisitions comprised the majority of Nordics exit value at 97.7%. Overall 2023 exit value totalled €1.6 billion, which marked a decline of 72.2% YoY, in line with declines seen in Europe. Most exit activity in 2023 occurred in Q3 with little sign of activity in other quarters. Activity remains lumpy, and we are cautious to declare any recovery in exit markets in the region. By type, acquisitions comprised a 72.9% share of deal count, and the Nordics saw a higher share of buyouts (22.4%) than Europe. However, by valuations, acquisitions have shown more resilience where, contrary to convention, buyouts have made up significantly less value (less than 5%). Conventionally, public listings have held a much larger share of exit value, but given the dynamics in wider markets, it makes sense that only five listings took place in the region last year.

Sweden and software led regarding regional and sectoral share of exit count in 2023. Most of the exits in the Nordics took place in Sweden, but Iceland had the highest share of exit value by far. Iceland's 77.3% share of 2023 exit value was supported by the acquisition of life sciences company Kerecis for €1.2 billion. In comparison, 41.4% of exits occurred in Sweden, below the country's 10-year average share. Looking at share of exit count by sector, software remains a majority holder at 35.5%, but lost some share last year to B2B as well as B2C (19.6% and 15.9%, respectively).

Share of VC exit count by type

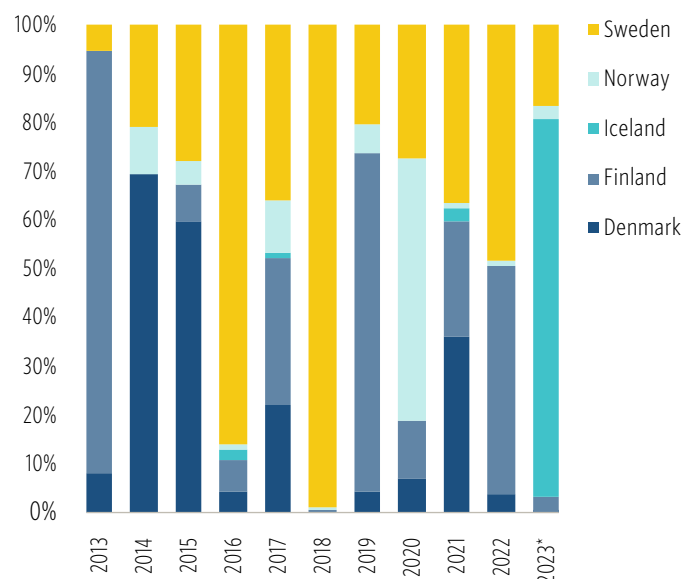


Source: PitchBook • Geography: Nordics • *As of December 31, 2023

IPO activity in 2024 could support recovery in the region

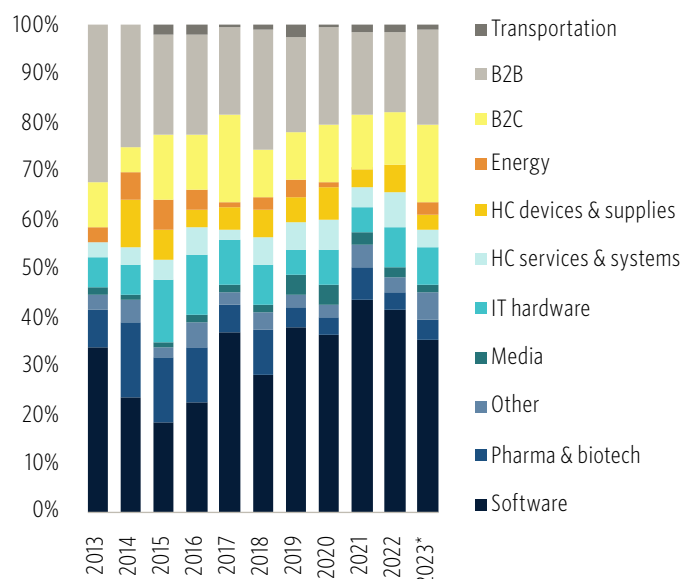
The investment/exit ratio declined to 10.1x from 10.3x in 2022 as the number of investments decreased by more than the number of exits. Whilst in terms of count, volumes have fallen by more for investments, we believe regarding value, the declines have been starker for exits. Looking forward,

Share of VC exit value by country



Source: PitchBook • Geography: Nordics • *As of December 31, 2023

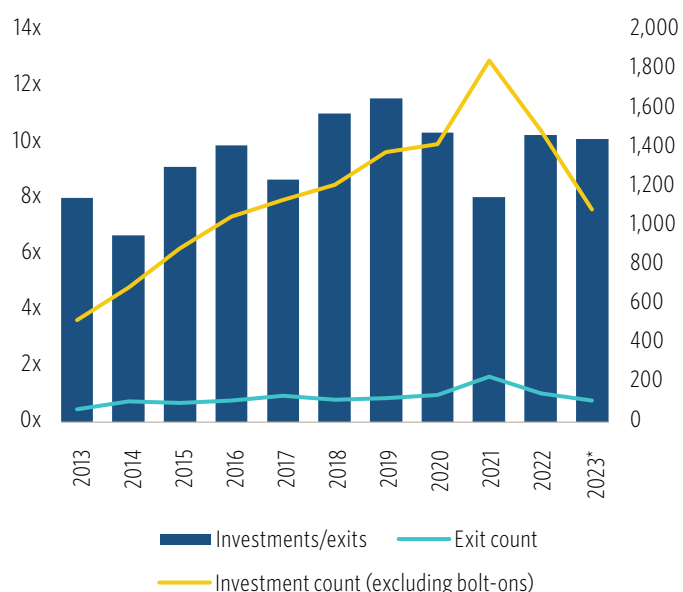
Share of VC exit count by sector



Source: PitchBook • Geography: Nordics • *As of December 31, 2023

we would expect acquisitions to continue to take share of activity in the Nordics, as listings continue to remain depressed. However, counts may improve as we get more clarity on macroeconomic conditions and interest rate cuts through the year. Within the region, it appears that activity is driven mainly by exchanges in Sweden and Norway. We would therefore be keen to see how several already-mentioned listings impact exit value in the region. One of the standouts reported among potential listings is battery maker Northvolt, reportedly looking to list in Stockholm.¹² Allegedly, the IPO would be worth \$20 billion, and if it takes place, the deal would significantly increase VC-backed exit value not just in the Nordics, but in all of Europe. Also, within Sweden, Klarna has stated intentions to go public, however they would likely list in the US.¹³ This continues to pose the question of how promising European exchanges are versus those in the US. Even outside of well-known laggards such as the London Stock Exchange, exchanges in other areas of Europe may see an exodus of activity as local domiciled companies look for better valuations—and therefore larger financing—across the pond.

VC investment/exit ratio



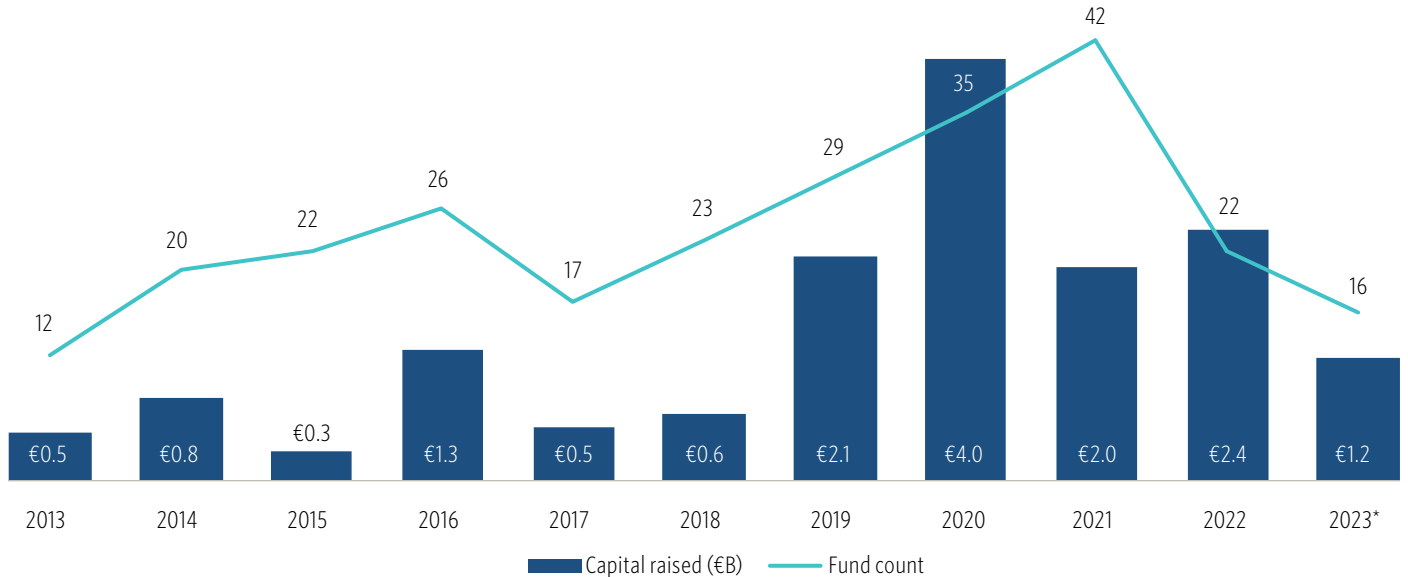
Source: PitchBook • Geography: Nordics • *As of December 31, 2023

¹²: "Northvolt Plans Stockholm Listing for Potential \$20bn IPO," *Financial Times*, Ivan Levingston and Richard Milne, October 23, 2023.

¹³: "Fintech Klarna CEO Signals IPO in US May Happen 'Quite Soon,'" *Bloomberg*, Charles Daly, January 23, 2024.

VC fundraising

VC fundraising activity



Source: PitchBook • Geography: Nordics • *As of December 31, 2023

Total capital raised in the Nordics during 2023 amounts to €1.2 billion, down 51.6% YoY, raised over 16 vehicles. Most of these funds sit in the lower size bracket of €50 million to €100 million. Historically, fund sizes in the region have favoured smaller funds (under €50 million). Furthermore, fund sizes in the Nordics are generally smaller than those in Europe. This is evident in the top closes in 2023, where the largest fund was €200 million, carried out by Finnish NordicNinja Fund II, which was still smaller than the even the 20th largest close in Europe overall. We can see this is also due to the weighting towards early-stage vehicles in the region, where the majority of the closes in 2023 were at the early stage (11 out of the 16 closes). Despite this skew towards smaller vehicles in the region, we saw slightly larger funds take share of capital raised last year.

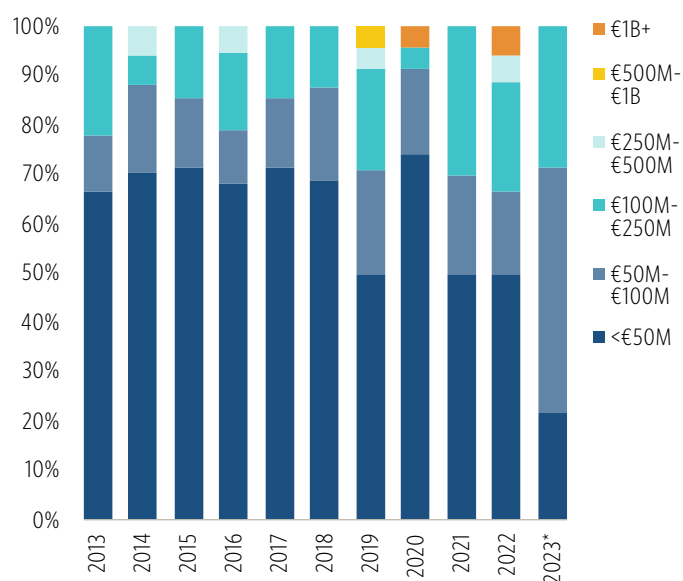
The Nordics: land of emerging funds. The majority of capital raised within the region has always fallen to emerging managers, as opposed to experienced managers, which tend to capture most of the capital in the rest of Europe. In 2023, 72.1% of capital raised and 75.0% of closes were carried out by emerging firms, with these managers gaining share from experienced players in 2023. We believe this skew may be in part due to the early-stage, smaller fund sizes found in the region, whereas more experienced players may set up shop in larger venture ecosystems in Europe where liquidity and volume metrics are higher (regarding deals, exits, and fundraising activity). The number of first-time funds in the region has decreased in recent years, with only four vehicles choosing the region to start up in 2023, compared with three in 2022 (which was a decade low).

Top 10 funds closed in 2023 by fund value*

Fund	Close date	Fund value (€M)	Fund type	Fund status	Fund location
NordicNinja II	September 12	€200.0	Early-stage VC	Closed	Finland
Lifeline Ventures V	May 17	€150.0	Early-stage VC	Closed	Finland
Lifeline Ventures IV	June 30	€150.0	Early-stage VC	Closed	Finland
Innovestor Life Science	February 2	€100.0	Early-stage VC	Liquidated	Finland
Pale Blue Dot II	May 11	€93.0	Early-stage VC	Closed	Sweden
Crowberry II	February 1	€90.0	Early-stage VC	Closed	Iceland
Voima Ventures III	June 13	€90.0	Early-stage VC	Closed	Finland
New Fund Kvanted 1	October 7	€70.0	VC	Closed	Finland
Luminar Venture II	October 6	€65.0	Early-stage VC	Closed	Sweden
Climentum Capital	September 30	€60.0	Early-stage VC	Closed	Denmark

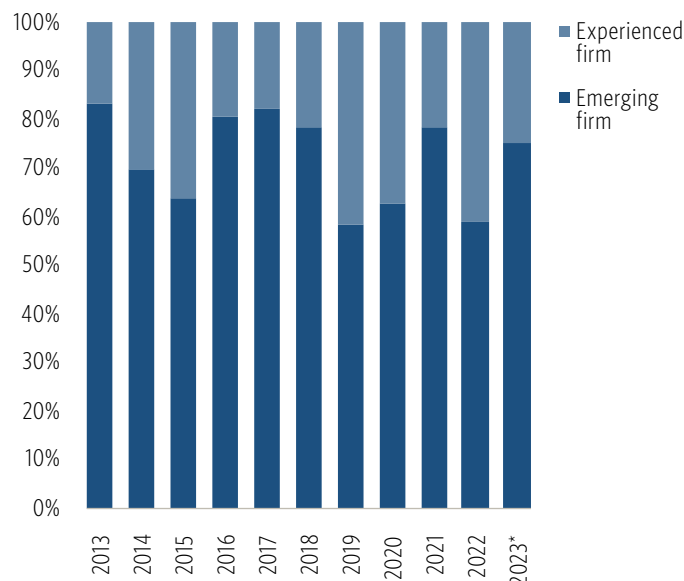
Source: PitchBook • Geography: Nordics • *As of December 31, 2023

Share of VC fund count by size bucket



Source: PitchBook • Geography: Nordics • *As of December 31, 2023

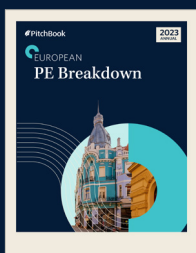
Share of VC capital raised by emerging and experienced firms



Source: PitchBook • Geography: Nordics • *As of December 31, 2023

Additional research

Private markets



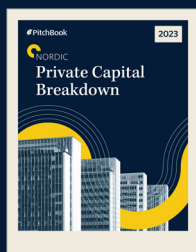
2023 Annual European PE Breakdown

Download the report [here](#)



2023 Annual European Venture Report

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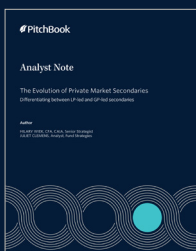
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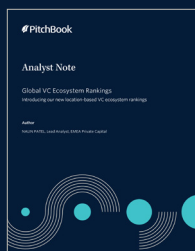
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