

Tesi

Tesi's Survey of Investment Returns

Finnish VC & PE Market

May 2026



Introduction

- Annually, Tesi publishes a comprehensive survey that examines net investment returns in the Finnish venture capital and private equity market (VC & PE). This survey is designed to provide general partners, investors, and other industry stakeholders with the most recent information on the sector's performance. First launched in 2018, the survey has been published yearly since 2021.
- The sample for this year's survey consists of 53 funds raised in Finland between 2009–2021 divided between buyout & growth and venture capital funds. The sample has been further divided into two groups based on their year of inception, i.e. their vintage year: established funds/earlier vintages (19 funds formed between 2009–2015) and emerging funds/later vintages (34 funds formed between 2016–2021).
- Note: in the two prior publications of this survey, the later vintage group included funds from vintages 2016-2020, meaning the underlying sample has changed to include the year 2021. In addition, data provision from funds not in Tesi's portfolio might vary from year to year.
- A more detailed explanation of the survey's methodology can be found on slides 23–25 of this document.
- Should you have any questions regarding this research survey, please do not hesitate to contact Tesi's Investment Analyst, Tapio Parkkonen at tapio.parkkonen@tesi.fi.

funds

53

vintages

2009–2021

focus

Finnish VC and
Growth/Buyout

Summary: Main changes compared to previous survey

VENTURE CAPITAL FUNDS

MAIN FINDINGS IN PREVIOUS SURVEY

- Despite a third consecutive annual decline in returns, mature venture capital funds continue to demonstrate resilient IRR, providing investors with strong annual yields. In contrast, new venture capital funds have seen a sharp drop in IRR, driven by falling market valuations and difficult exit conditions.

IRR ¹ older funds (inception 2009-2015)	IRR ¹ newer funds (inception 2016-2020)
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18 %

7 %

BUYOUT & GROWTH FUNDS

- Mature buyout and growth funds maintain stable returns, aligning with historical trends, with only slight IRR variations. Meanwhile, new funds show improvement, reaching a 13% IRR (up from prior years), though some portfolio companies remain valued near their acquisition cost.

IRR ¹ older funds (inception 2009-2015)	IRR ¹ newer funds (inception 2016-2020)
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16 %

15 %

Note the different fund vintages for the newer fund groups

MAIN FINDINGS IN THIS SURVEY

- The decline in VC returns has ended in 2025, with total returns increasing for both vintage groups. IRR for older venture capital funds has remained at a solid level, continuing to offer investors an attractive annual yield.
- Even as TVPI has increased, IRR for newer venture capital funds has decreased slightly, driven in part by limited distributions and NAV development.

IRR ¹ older funds (inception 2009-2015)	IRR ¹ newer funds (inception 2016-2021)
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18%

6,5%

- In line with previous surveys, mature buyout and growth funds continue to show stable returns with increasing returns to investors. IRR remains at 16%.
- The IRR of new funds continued on a positive trajectory since 2023, supported by the value creation within portfolio companies as well as additional distributions during 2025.

IRR ¹ older funds (inception 2009-2015)	IRR ¹ newer funds (inception 2016-2021)
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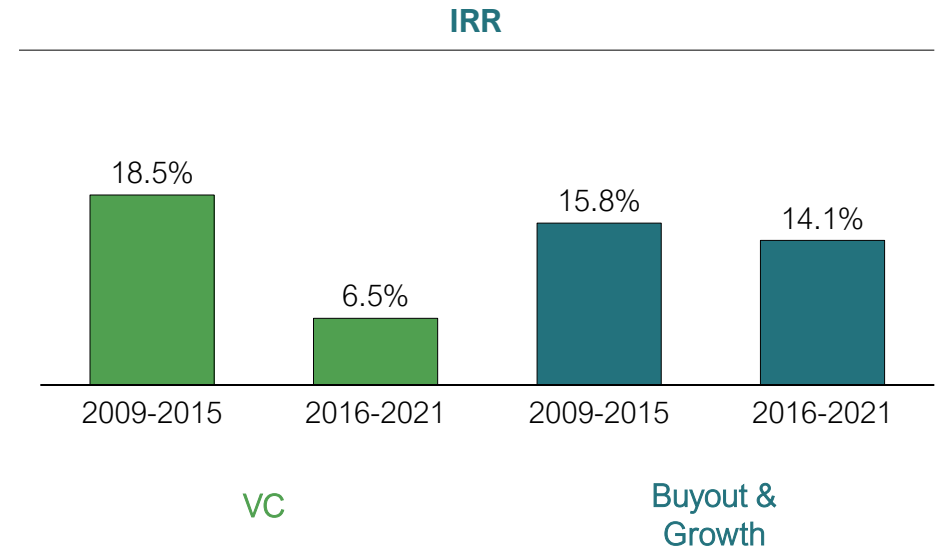
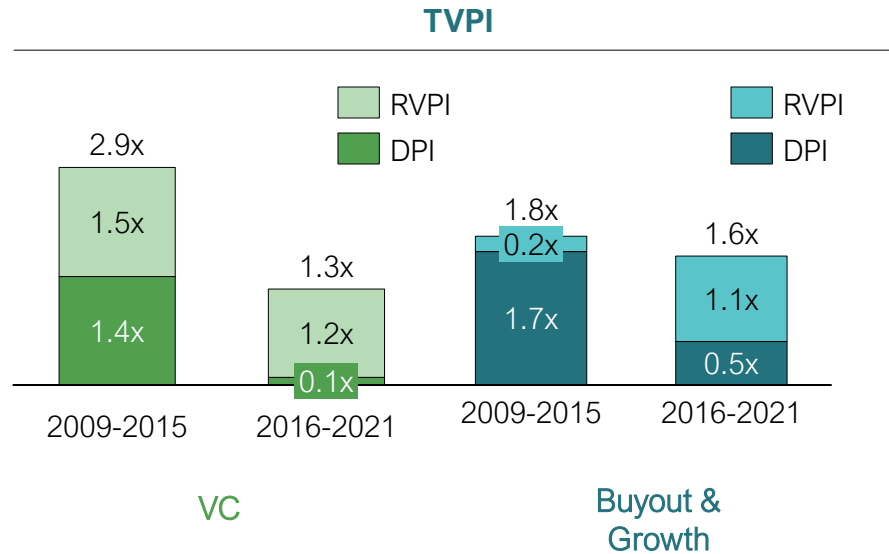
16%

12%

Summary: Returns from the Finnish PE & VC market by vintage group, 31 Dec 2025

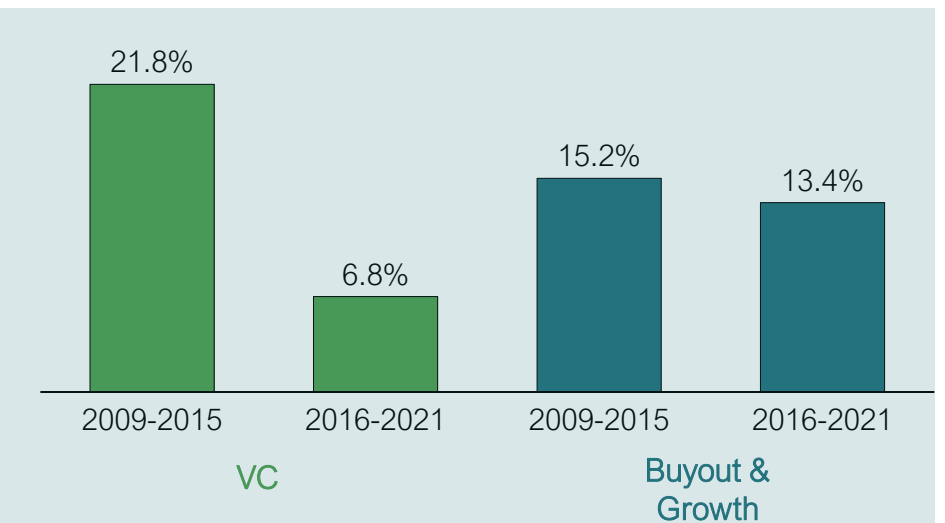
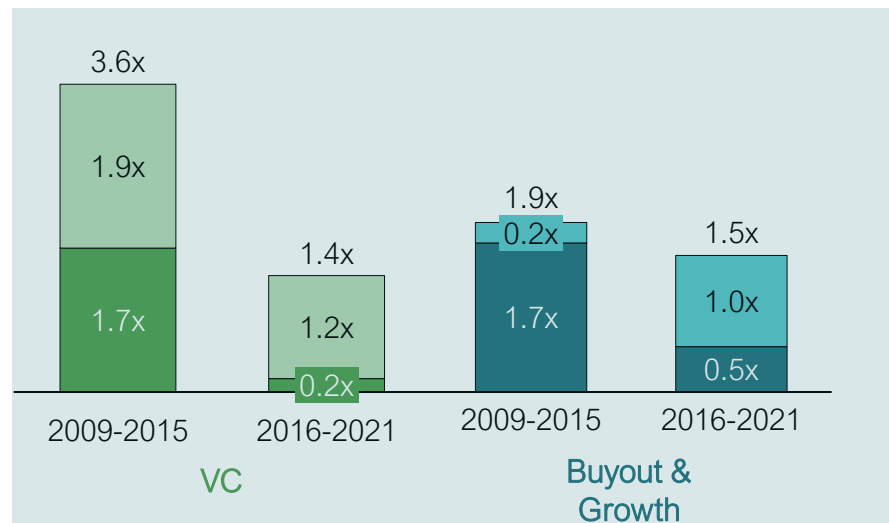
MARKET WEIGHTED

(Each fund is weighted according to its size when calculating returns, making it a better indicator of the market returns as a whole)



EQUALLY WEIGHTED

(Each fund is equally weighted in the return calculations)

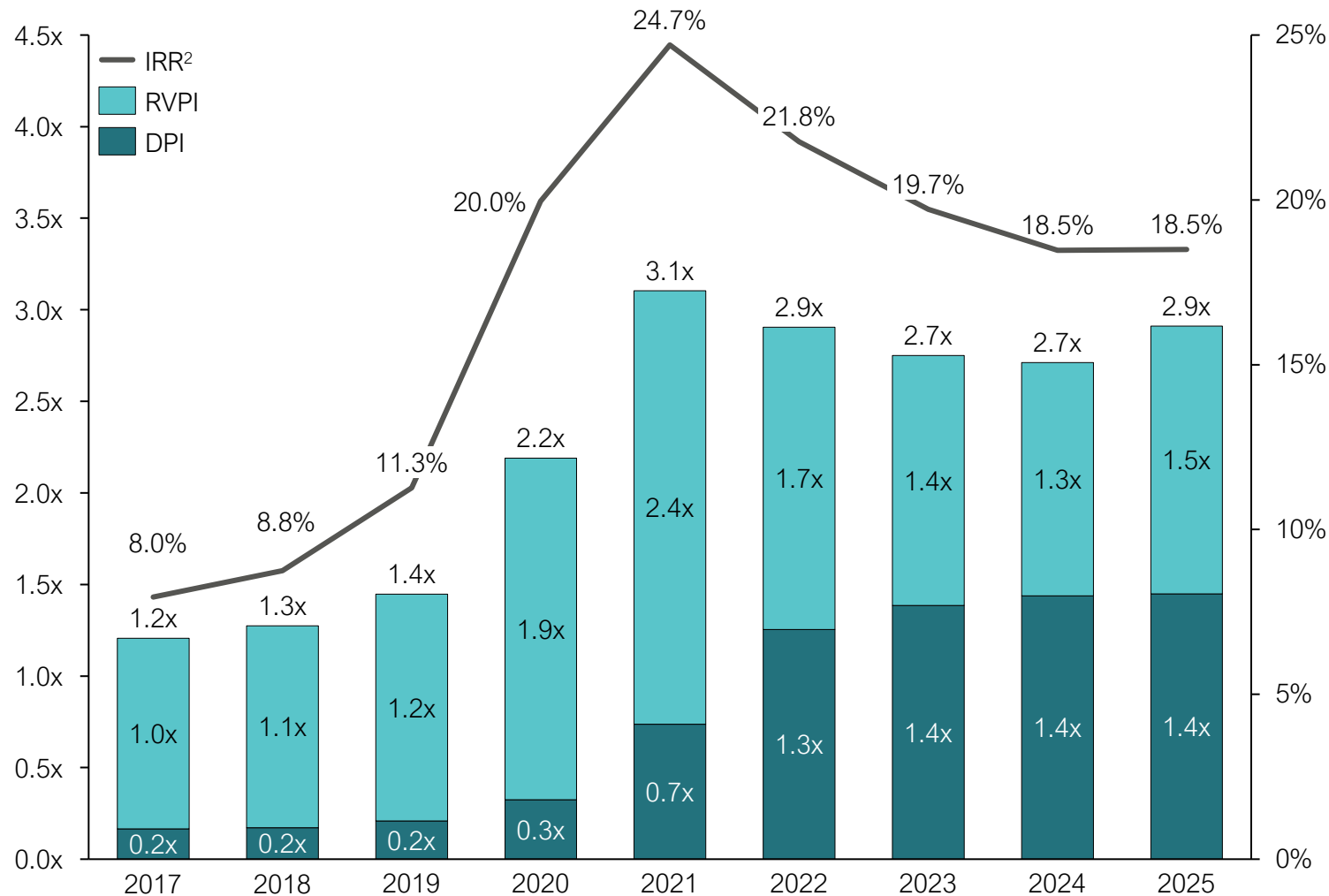


Finnish VC funds



Performance of older VC funds (vintages 2009–2015)

PERFORMANCE 2017–2025¹



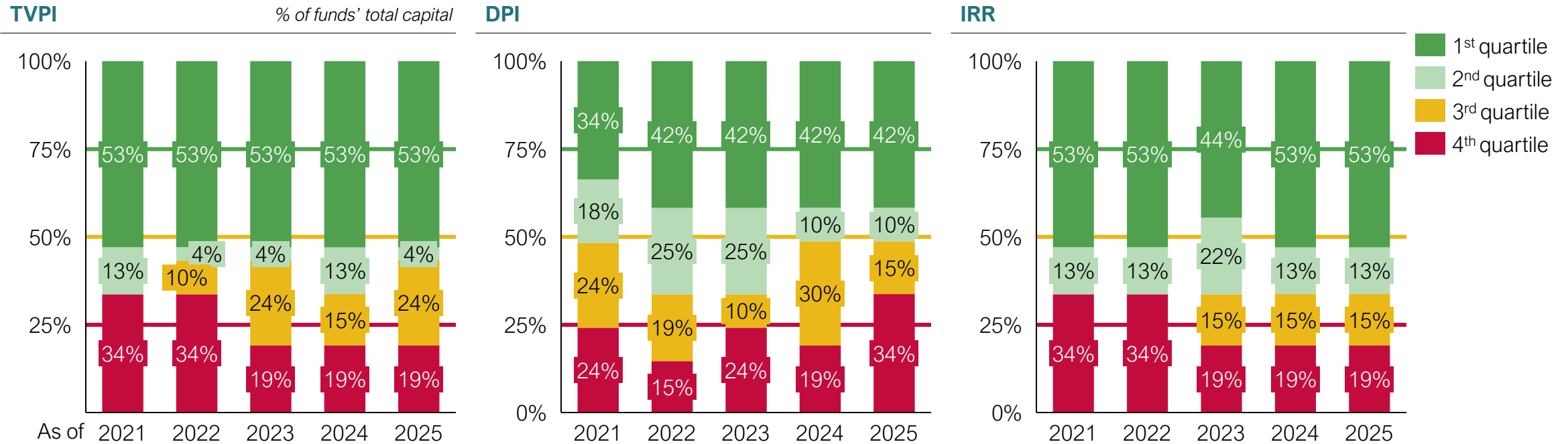
COMMENTARY

- In 2025, the total returns of older venture capital funds increased to a multiple of 2,9x (TVPI), up from 2,7x the previous year. However, due to the time adjusted nature of IRR, it remained at the same level of 18.5 % from 2024. Overall, returns continue to be strong, supported by the robust performance in earlier years.
- The decline in total return levels, which began in 2022, has now come to an end. Most of the uptick in performance has come from increased net asset value (NAV) currently in the funds' portfolios. This means that a part of these more established companies have appreciated in value, most often due to follow-on funding rounds.
- The increase in asset value could potentially indicate that later stage and scale up funding has become more accessible to companies in the funds' portfolios.
- While NAV has increased, distributions to investors have not, and half of the funds' total value is still unrealized. The exit market is still challenging, and the IPO window mostly remains unfavorable for European scaleups. Investors and companies might be waiting for more favorable market conditions in order to maximize their exit proceeds. Considerable expectations are placed on the reopening of the IPO market, but the longer the duration of the funds, the more relevant other exit options become.

¹ Market-weighted

² IRR does not represent returns for the year in question, but instead the group annualized returns from inception to the last day of the corresponding year

Older Finnish VC funds' performance compared to European peer group

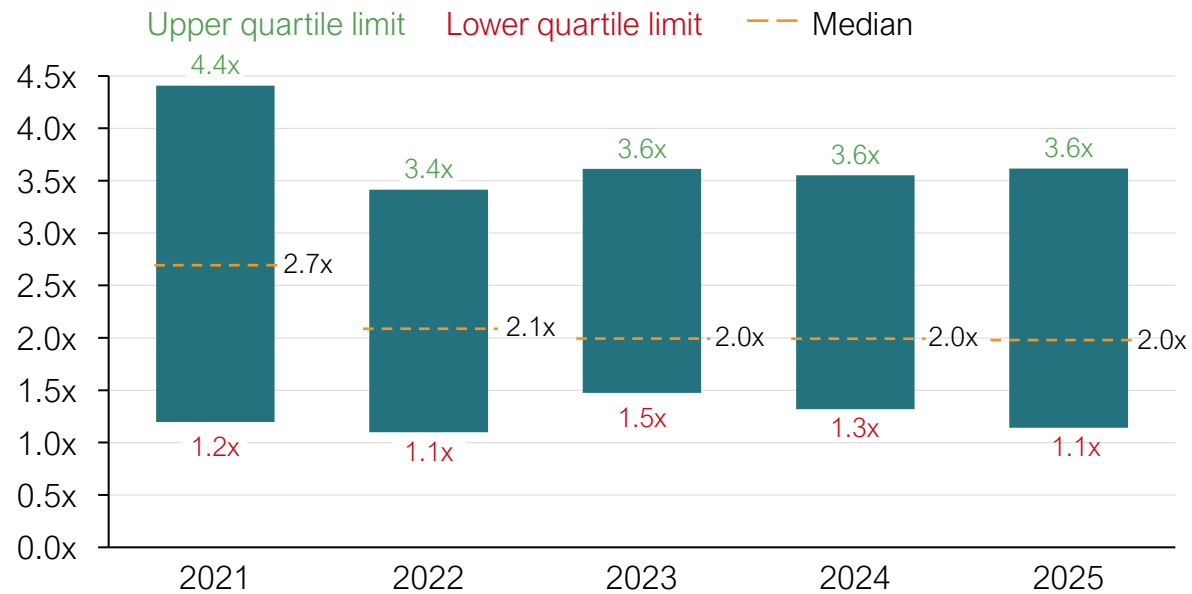


In this visualization, each fund within a group is evaluated against its European counterparts¹ based on its return figures and vintage year, with the results compiled at the group level. If the Finnish market's returns were perfectly aligned with those of the European reference group, each of the four colors would represent a 25% share.

- Relative to their European counterparts, the performance of older Finnish venture capital has remained strong in 2025. Over half of the capital continues to be placed in the first quartile in terms of total value (TVPI), with a slight increase in the third quartile to 24%. However, distributions remaining flat throughout 2025 is visible when the funds are measured on DPI; the share of total capital in the fourth quartile has increased by 15 percentage points. When measured by IRR, the quartile distribution remains on a strong level.
- Overall, the older Finnish venture capital funds have maintained a strong financial position, outperforming their European peers, especially on TVPI. Finland's venture capital ecosystem remains relatively young compared to its European counterpart, potentially offering lower entry valuations and reduced competition for high quality companies. The difficult Finnish exit market is reflected in the DPI quartiles in the middle, as European peers have been able to return more capital to investors in 2025.

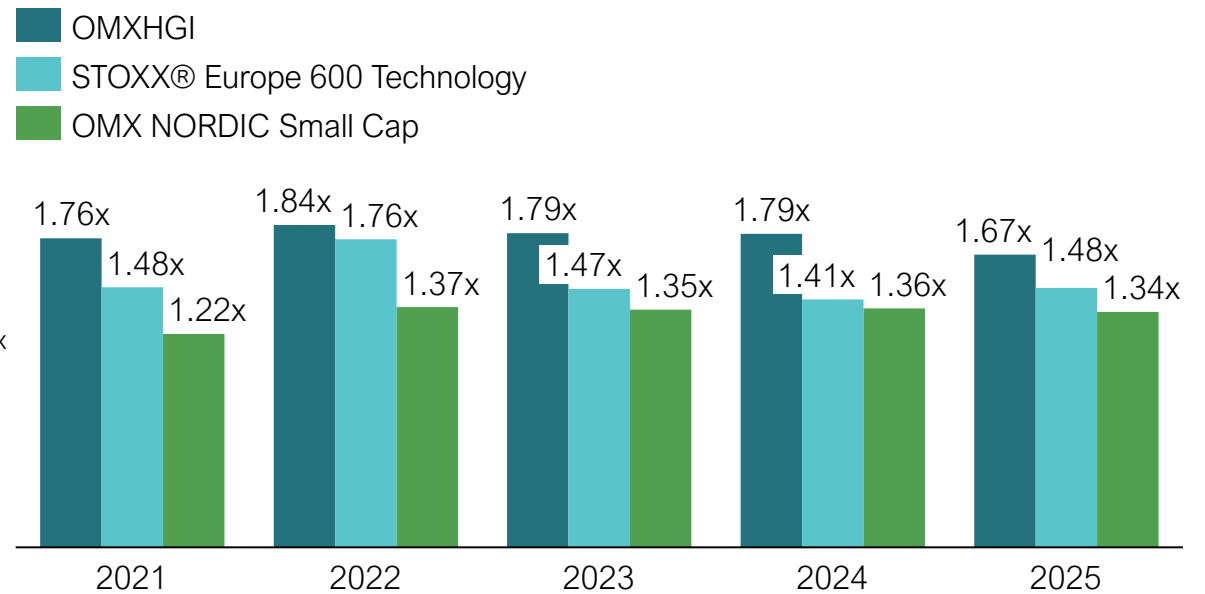
Distribution of older VC funds' returns and comparison with the listed market

DISTRIBUTION OF RETURNS MULTIPLES (TVPI)



- The trend of widening return dispersions has continued into 2025: the difference between the upper and lower quartiles now stands at 2.5x, with the lower quartile boundary decreasing to 1.1x (TVPI). The upper quartile limit remained stable at 3.6x. This suggests that the middle 50% of funds in 2024 had slightly more variable performance compared to 2023.
- This indicates that top-performing funds sustained their return levels, whereas the performance of bottom-quartile funds continued to weaken as the funds' portfolios mature.
- In 2025, the median TVPI for older VC funds remains at the same level of 2.0x.

COMPARISON TO LISTED MARKET (PME)¹

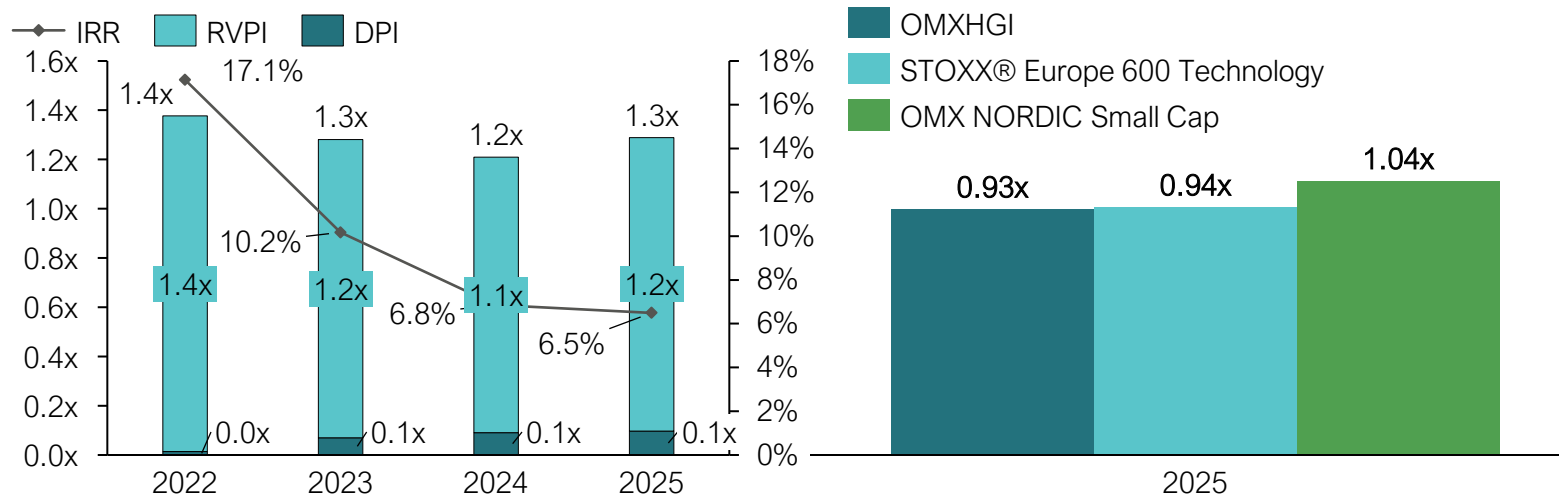


In PME calculations, the cash flows of the fund group are indexed against the public stock market. This approach offers a benchmark that illustrates the performance relative to investing in the listed stock market at the same time as investing into the funds.

- At the end of 2025, older Finnish venture capital funds outperformed the selected public market indices. However, the OMXHGI had a favorable year, and the PME against it decreased slightly to 1.67x.
- When benchmarked against European markets (STOXX Europe 600 Technology), the older funds increased their relative performance slightly. In a comparison to public Nordic companies (OMX Nordic Small Cap), the funds' performance remained quite stable at 1.34x.

Performance of newer VC funds (vintages 2016–2021)

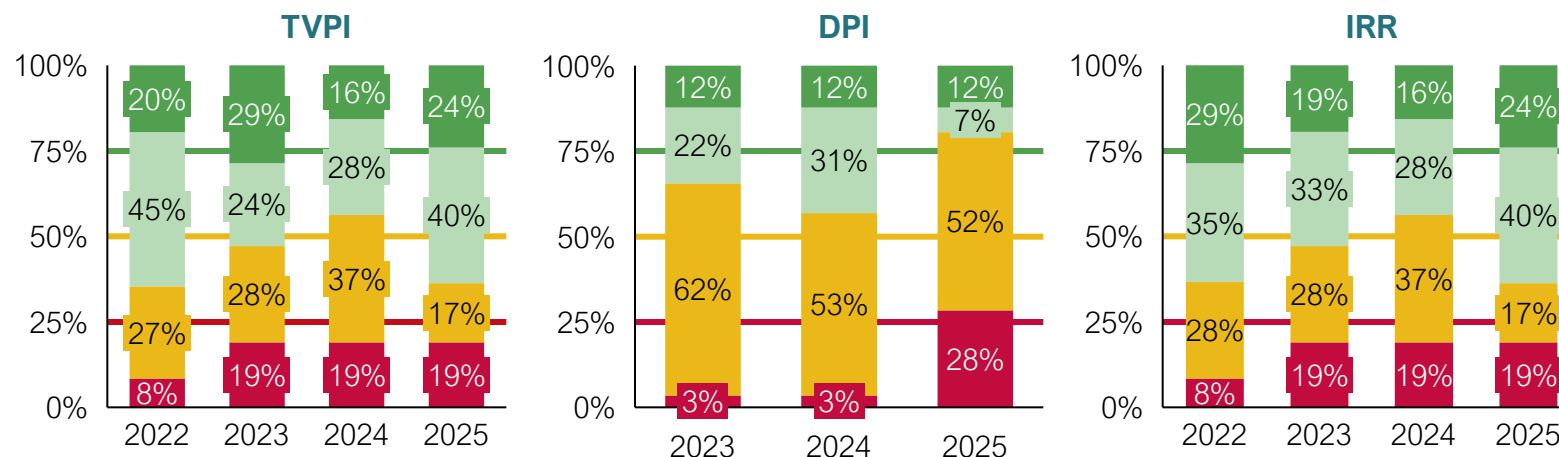
RETURN METRICS AND PME



COMMENTARY

- The returns of new venture capital funds have increased slightly, reaching a TVPI of 1.3x in 2025. IRR has continued to decline, reaching a level of 6.5%.
- As the fund group is still quite young, and most of the funds still in their value creation phase, distributions have remained modest. Valuation levels experienced a small increase.
- In the PME analysis, the newer VC fund' performance is quite close to public indices, losing to local and European public indices but surpassing listed Nordic small-cap companies.

PERFORMANCE COMPARED TO EUROPEAN PEER GROUP



COMMENTARY

- Newer venture capital funds have performed well in terms of TVPI and IRR. In both metrics, 64 % of capital is in funds that perform above the median, i.e. in the first and second quartiles.
- DPI accumulation has been modest, with most funds in the sample, as well as in the benchmark, yet to generate any significant DPI. However, the majority of sample funds rank in the bottom quartiles.



A large satellite dish is silhouetted against a night sky filled with stars. The dish is mounted on a structure on a dark, rocky mountain peak. The sky transitions from a deep blue at the top to a lighter, orange-tinged glow near the horizon. The overall scene is a composite image used as a background for the slide.

Venture capital: Key findings

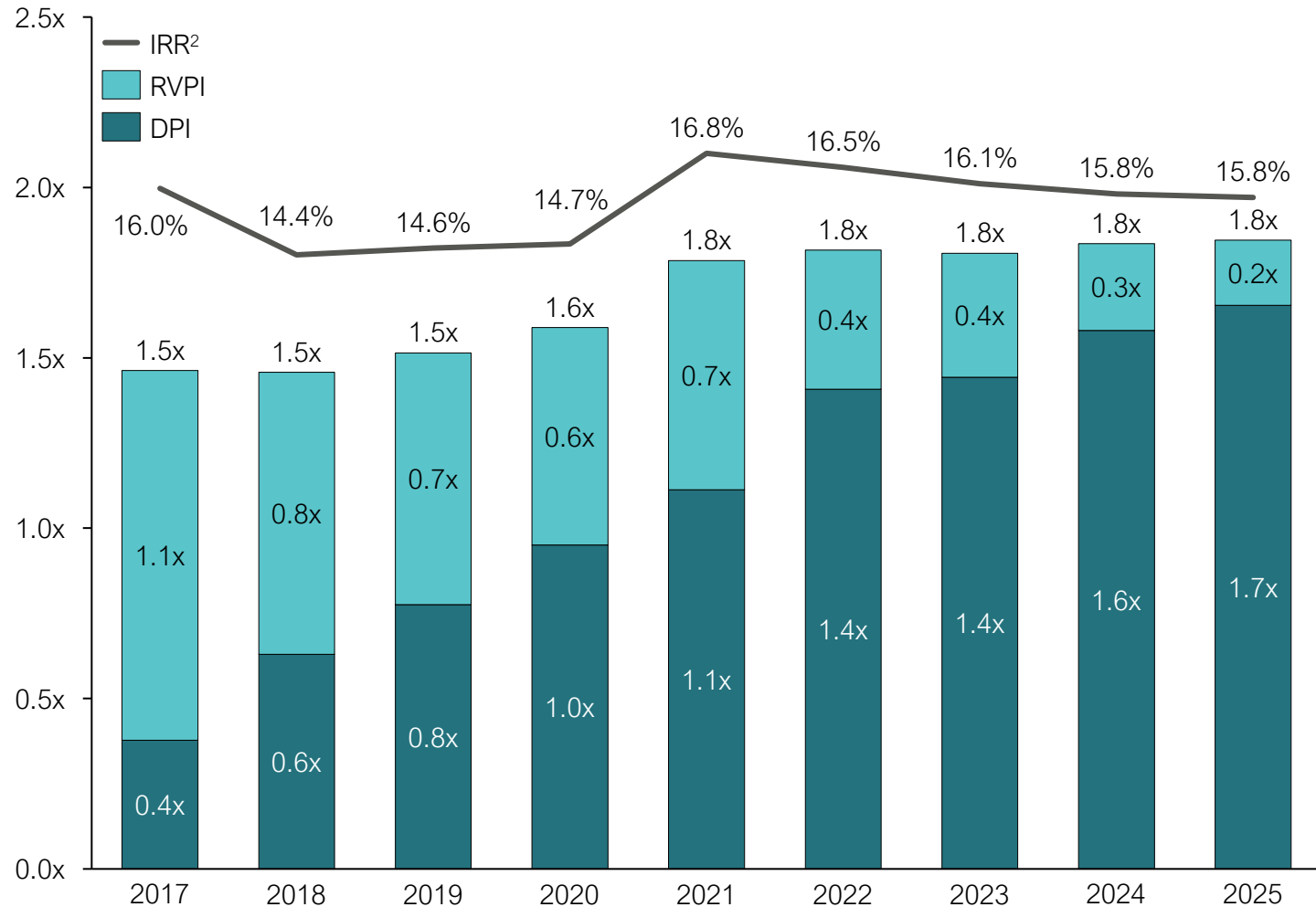
- During the year 2025, Finnish venture capital funds from both vintage groups were able to increase their total returns in terms of TVPI, marking an end to a decline in the funds' performance since 2021 and 2022. This increase is mostly attributable to increases in portfolio companies' valuations, helped by a record-breaking fundraising year in 2025, with companies such as Oura, IQM and ICEYE managing to raise significant rounds. However, both vintage groups have been stagnant in terms of realizations of investments.
- Older venture capital funds are now at a total return multiple of 2.9x, up from 2.7x in 2024. Additionally, valuation levels have increased slightly, potentially indicating that a bottom in valuations may have been reached in 2024. However, the difficult market environment has slowed the pace of fund distributions, which remain low, with DPI sustaining at 1.4x of the total value of the funds, similar to last year. The moderate growth in residual value in portfolios has kept IRR stable at 18.5% in 2025. When compared against their European counterparts, the older venture capital funds outperform them in every metric, with around 60% of capital allocated in funds performing above the European median, with a more limited over-performance in DPI benchmarks. Another trend visible in the older fund group is the continued dispersion of returns among funds, where the highest performing funds are doing better while the least performant quartile has seen their returns decline.
- The performance and returns of new venture capital funds has improved in 2025. In terms of total return (TVPI) there has even been a small increase from 1.2x to 1.3x. This is mostly due to portfolio appreciation, and not distributions to investors. Similarly to the older vintage group, newer Finnish VC funds are behind their European peers in terms of DPI. However, when compared on TVPI and IRR, they outperform the European market.
- This year the newer fund sample was broadened to include funds from the year 2021 to provide more current data on fund returns. Due to the nature of venture capital investing, there is still significant return potential, and the coming years will give a better indication on the final performance of the group.

An aerial photograph of a dense forest, showing a gradient from dark green on the left to lighter green on the right. The text "Finnish buyout and growth funds" is overlaid in white, sans-serif font on the left side of the image.

Finnish buyout and growth funds

Performance of older buyout and growth funds (vintages 2009–2015)

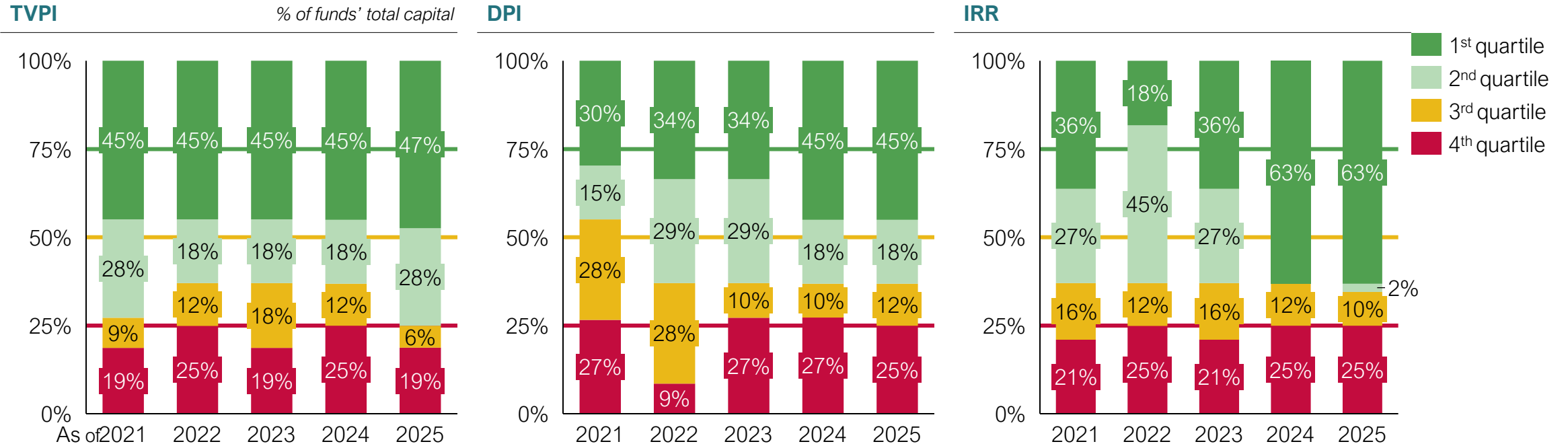
PERFORMANCE 2017–2025¹



COMMENTS

- Distributions of older buyout and growth funds picked up in the latter part of 2024 and have remained quite stable throughout 2025. Distributions have now reached 1.7x, up from 1.6x the year prior. Despite a challenging market environment, funds have continued to successfully exit companies, with most of the funds' total value already realized.
- TVPI has seemingly settled in the past few years to a level of 1.8x. As only 0.2x, or around 10%, of the total value remaining unrealized, this gives a relatively clear picture of the quite strong final performance of the fund group. IRR has remained relatively stable throughout the latest observation period, remaining at 15.8% in 2025.
- Given the current market's lower exit premiums, a significant increase in TVPI is unlikely unless there is an exceptional recovery in the exit environment. As traditional exit channels have been somewhat constrained, alternatives, such as secondary transactions, have increased in importance.
- The total value in the funds' portfolios has withstood external market effects and remained constant since 2021. This highlights the accurate and robust valuation of the underlying companies. No significant write-downs have occurred in exits throughout the funds' harvesting periods.

Older Finnish buyout funds' performance compared to European peer group

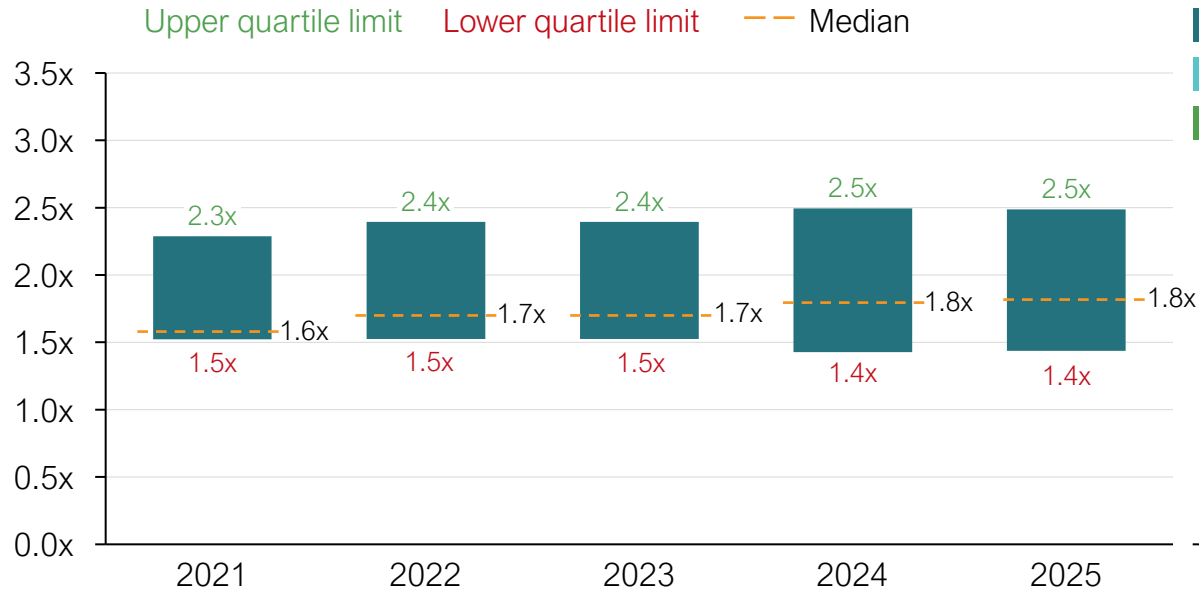


In this visualization, each fund within a group is evaluated against its European counterparts¹ based on its return figures and vintage year, with the results compiled at the group level. If the Finnish market's returns were perfectly aligned with those of the European reference group, each of the four colors would represent a 25% share.

- The benchmark comparison of mature buyout and growth funds demonstrates strong performance relative to European peers across all return metrics throughout the entire observation period. On every return metric, almost 70% of the capital is managed in funds that perform above the European median. Positive developments in DPI and IRR occurred in 2024 and these comparisons remain largely unchanged. The increase in TVPI performance could indicate that European peers might have had to exit their portfolio companies at lower valuations and/or at a less opportune moment.
- European medium and small-cap funds are larger than their Finnish counterparts. These funds that also have larger underlying assets, might have more limited avenues for exits during challenging market conditions. Conversely, PE funds from the Nordics have also been shown to outperform regardless of fund or deal size, indicating the presence of high-quality GP and a solid supply of potential businesses.

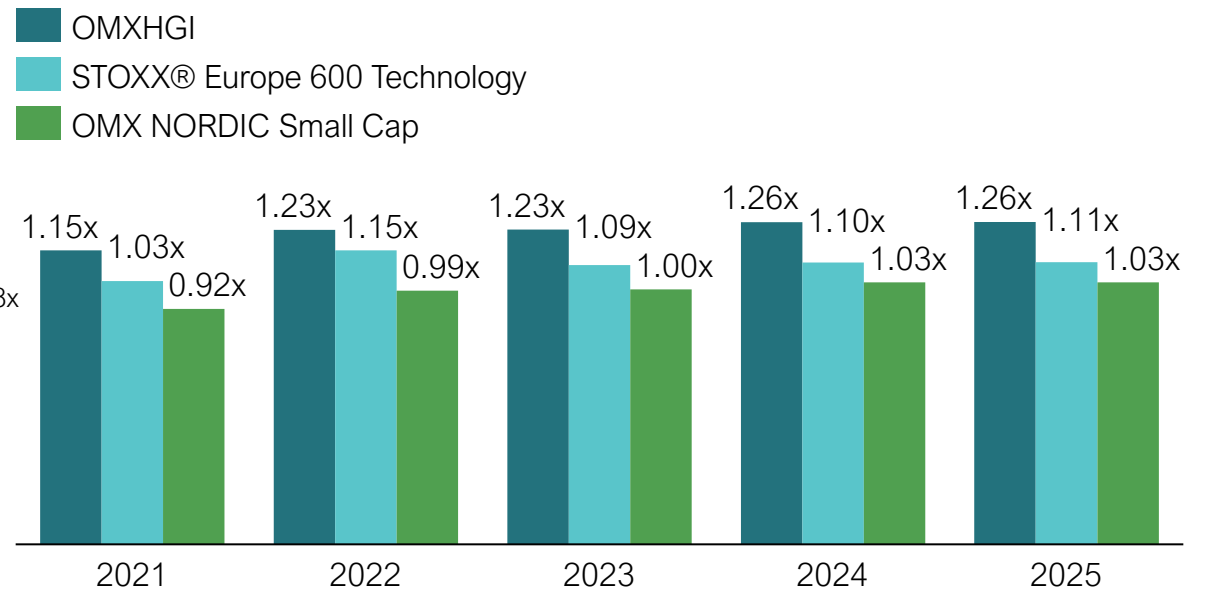
Distribution of older buyout and growth funds' returns and comparison with the listed market

DISTRIBUTION OF RETURNS MULTIPLES (TVPI)



- As the vintage group and its performance is very established, no significant changes happened in the return distribution during the latest observation period. The difference between the upper and lower quartiles remains at 1.1x.
- The upper quartile now stands at 2.5x, while the boundary of lower quartile is 1.4x. The median TVPI of older buyout and growth funds also remains unchanged from 2024 at 1.8x.
- As the group includes older funds that are almost 90 % realized, limited movement in return distributions is to be expected.

COMPARISON TO LISTED MARKET (PME)¹

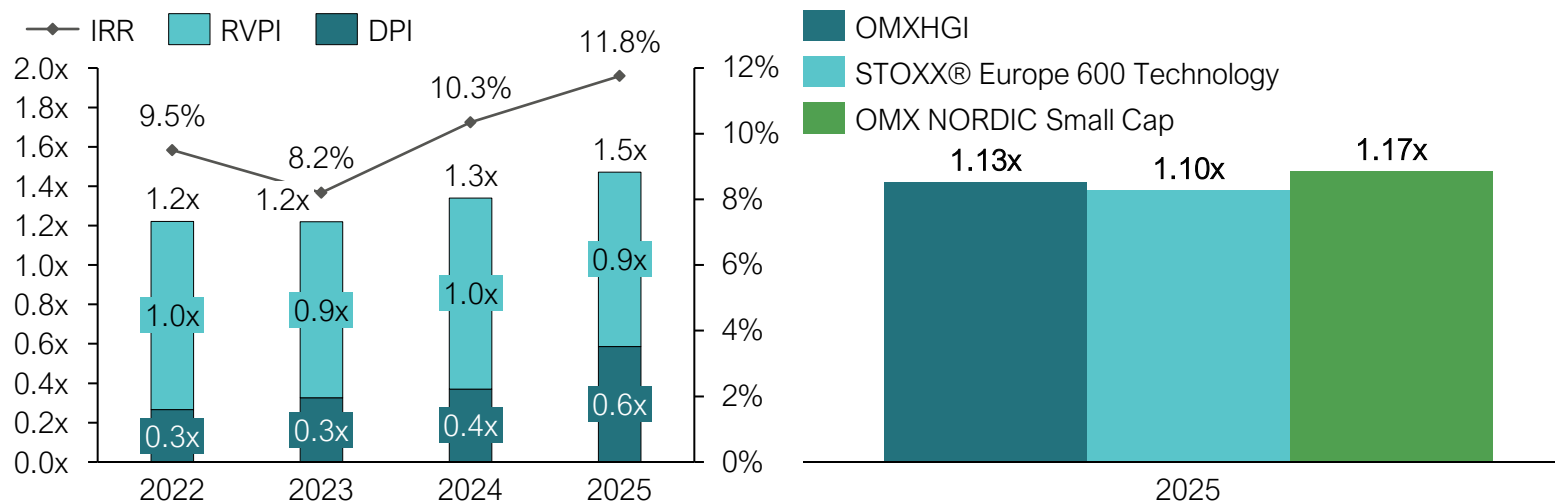


In PME calculations, the cash flows of the fund group are indexed against the public stock market. This approach offers a benchmark that illustrates the performance relative to investing in the listed stock market at the same time as investing into the funds.

- Older buyout and growth funds continue to outperform the listed market in 2025, with PME multiples changing very little from previous years. This is to be expected as the funds are now mostly realized. The relatively modest outperformance of the Nordic Small Cap index may be partially explained by the fact that a significant portion of distributions occurred during a period when market indices were at their peak – considerably higher than at the time capital calls were made.

Performance of newer buyout and growth funds (vintages 2016–2021)

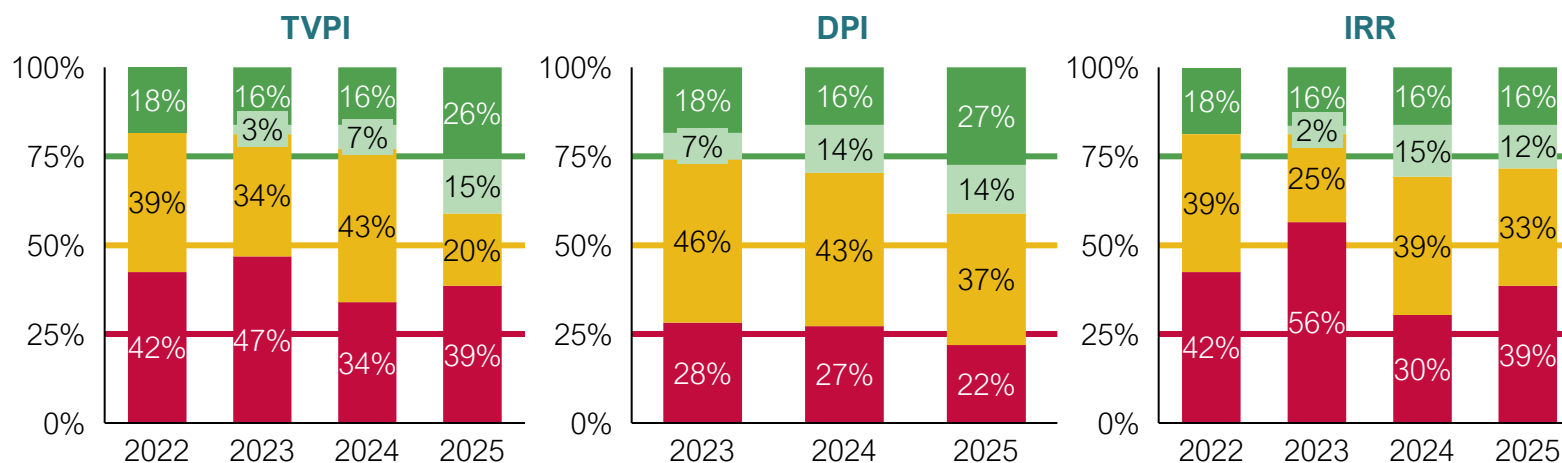
RETURN METRICS AND PME



COMMENTARY

- Returns of the newer Finnish buyout and growth funds have improved with TVPI reaching 1.5x and IRR increasing to 11.8%.
- The funds have also generated distributions in 2025, with DPI now at 0.6x. However, compared to the older vintage group at a comparable point in time (2020), the group still lags in terms of DPI.
- The remaining value in portfolio (RVPI) has also seen some appreciation despite difficult market conditions.
- The sample funds have continued to outperform their public benchmark indices.

PERFORMANCE COMPARED TO EUROPEAN PEER GROUP



COMMENTARY

- In 2025, positive developments occurred when the group is compared to European peers, both in TVPI and DPI. However, the bottom two quartiles remain overrepresented in all three metrics.
- As the fund sample is skewed towards newer vintages, movement across quartiles is to be expected in the coming years and no conclusive findings can be drawn from the groups performance.

■ 1st quartile ■ 3rd quartile
■ 2nd quartile ■ 4th quartile



Buyout and growth: Key findings

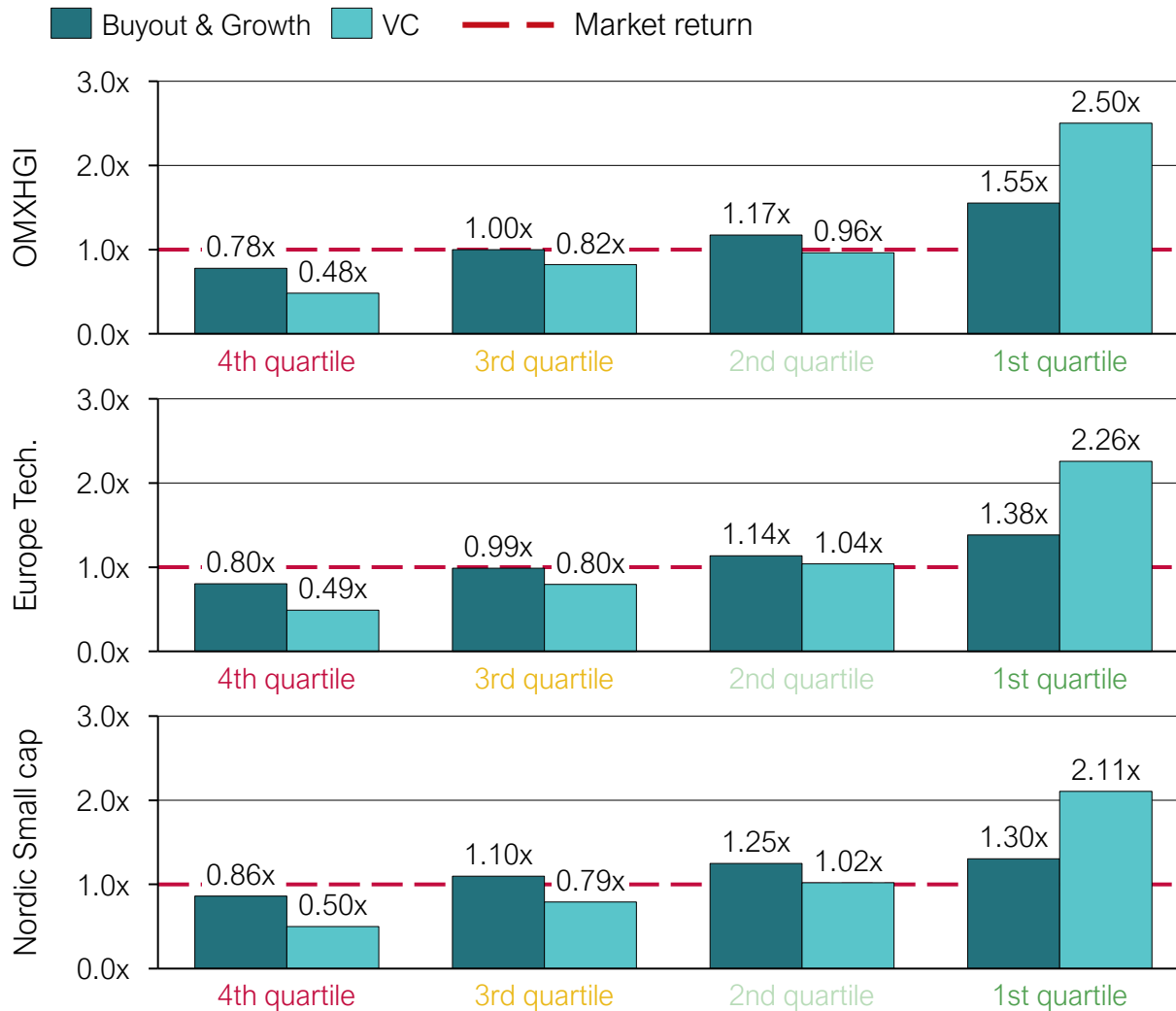
- Older Finnish buyout and growth funds have continued divesting their portfolios at a similar pace from 2024, with DPI now at 1.7x and only around 0.2x of returns being unrealized (RVPI). Total returns have remained steady at 1.8x. IRR has remained virtually unchanged at 15.8% throughout 2025 as well. In a similar vein, return distributions among this fund group have further stabilized. As the fund group is now close to being fully realized, it has certainly offered solid returns to investors, including surpassing public indices in a PME comparison.
- Generally, portfolio company valuations have held true in exits and no significant write-downs have impacted the trend negatively. Exits have continued at a similar rate from 2024, which is a positive sign of the market. When compared against European peers, older Finnish buyout and growth funds remain in a strong position: 75% of capital is allocated in funds either in the first or second quartiles. For DPI and IRR this figure still stands at over 60%. As shown by the results, growth and buyout funds have demonstrated their ability to return capital, even during challenging market conditions, displaying greater resilience economical cycles than venture capital.
- Newer Finnish buyout and growth funds managed to improve their total returns with TVPI reaching 1.5x in 2025, up from 1.3x in 2024. Measured by IRR, this means an increase of 1.5 percentage points to 11.8% At the same time, distributions increased in this group as well with DPI now at 0.6x. When benchmarked against their European counterparts, positive developments from earlier years can be observed in TVPI and DPI, where the share of capital in first and second quartiles has increased. However, when looking at the entire comparison, the lower quartiles remain overrepresented, especially in IRR.
- With the inclusion of the vintage 2021 in the newer fund sample has a significant effect on the average fund's age as well as the maturity of the underlying portfolio. This combined with increased deal activity from 2024 onwards means that the returns of this fund group are less certain.



PME & Liquidity analysis

PME analysis – whole fund population raised between 2009–2021

AVERAGE PME'S (TVPI QUARTILE)



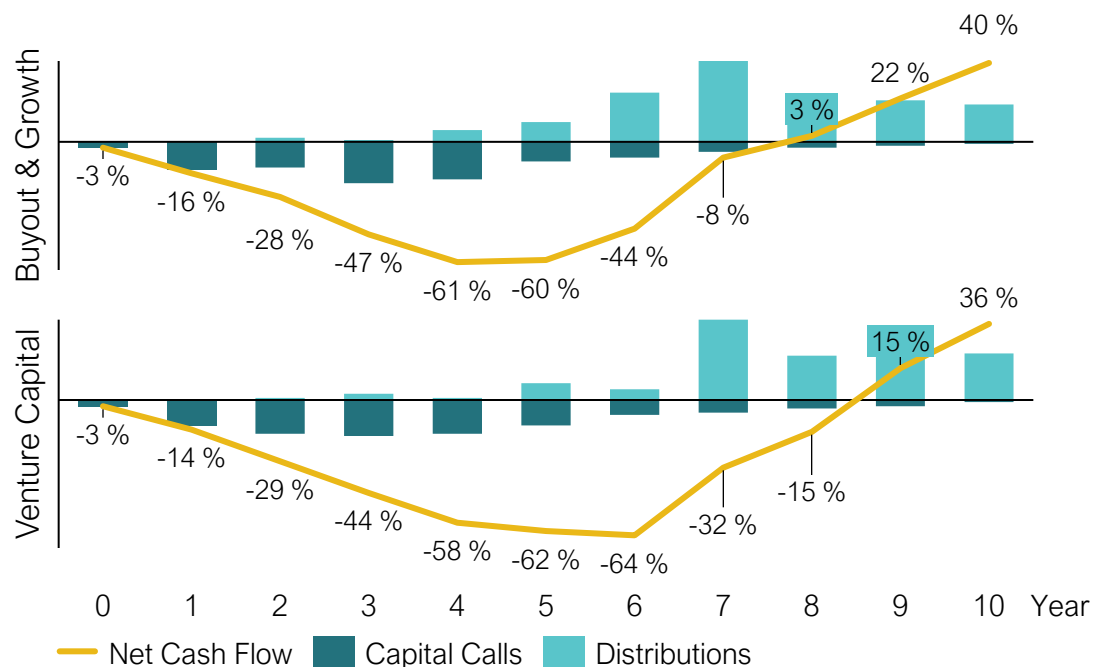
COMMENTARY

- The higher volatility of VC funds is exemplified in the average PME's when distributed based on TVPI quartiles. While the best performing fourth of funds exceeded public indices by at least 1x or even 1,50x in the case of OMXHGI, the lowest performing quartile only managed total returns of roughly half of the comparison indices.
- With buyout and growth funds, distribution among quartiles is more tightly centered around market performance. However, 75% of buyout and growth funds in the survey closely follow or surpass all the three indices they are compared against.
- The OMXHGI performed exceptionally well in 2025, with returns of over 30%, and this is reflected in the topmost PME distribution, where quartile limits have decreased across all groups. The other two indices have had more moderate year-on-year returns.
- The inclusion of the 2021 vintage in the sample has decreased the average fund age, and due to the slower capital return pattern of private equity funds, reduced PME's across both groups.
- In conclusion, Finnish funds have outperformed the public market mostly from the second quartile upwards, and in some cases even from the third quartile upwards. Especially buyout and growth funds have been consistently able to exceed the public indices.

The graphs on the left show all the funds in the sample (2009-2021 vintages, 53 funds in total) divided into four groups/quartiles based on their total returns (TVPI) compared to European counterparts. An average PME performance is then calculated for each group.

Liquidity analysis - fund population raised between 2009–2015

POOLED AVERAGE CASH FLOWS FROM THE FIRST 10 YEARS¹



COMMENTARY

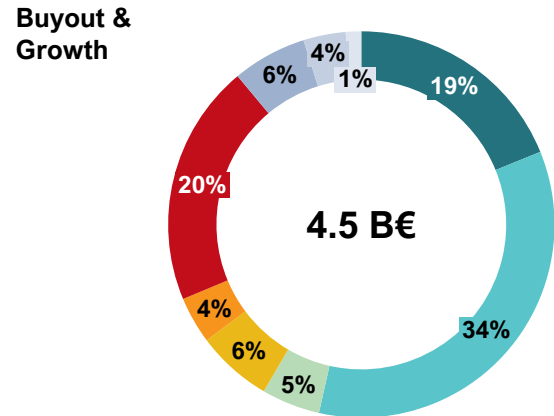
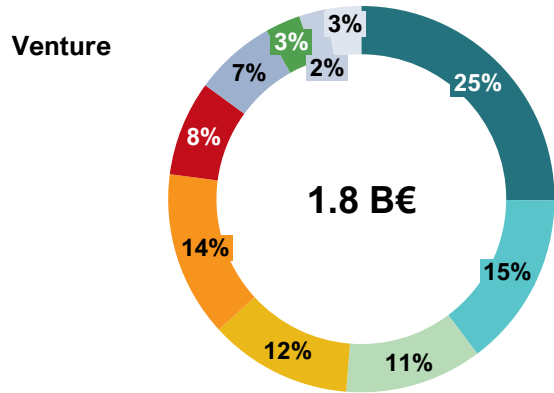
- The figure presents pooled cash flows by strategy from the first 10 years of funds in the older vintage groups (2009-15). A 10-year time series has been used to ensure that all funds in the sample are represented across the time period.
- The figure illustrates that buyout and growth funds return capital more quickly, reflecting a more efficient capital turnover compared to venture capital. The portfolio companies of buyout and growth funds tend to be more mature, and in many cases, significant dividends can be distributed prior to a full exit. This contributes to the shorter capital recycling period.
- Venture capital funds tend to return capital at a slower pace, as portfolio companies generally require more time to mature. However total returns are higher in venture capital.
- Buyout and growth funds have returned investor capital on average by year 8, whereas VC funds have achieved the same in 9 years, or a year later.



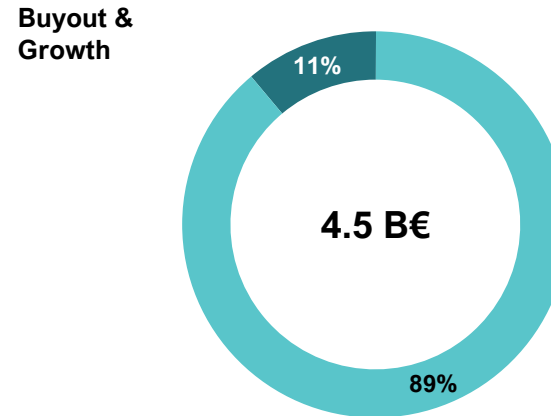
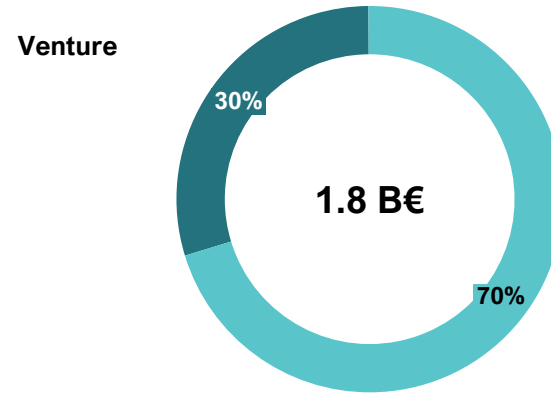
Investor base

Investor base of Finnish funds: Funds raised between 2009–2021

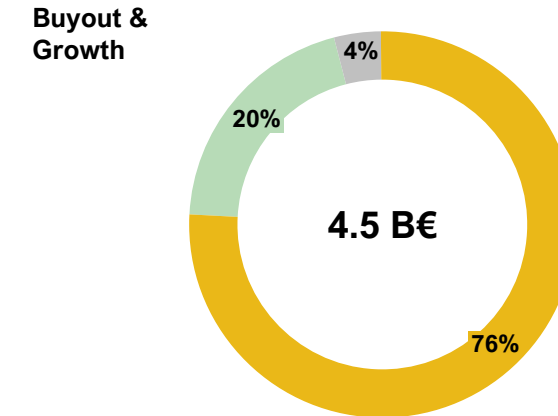
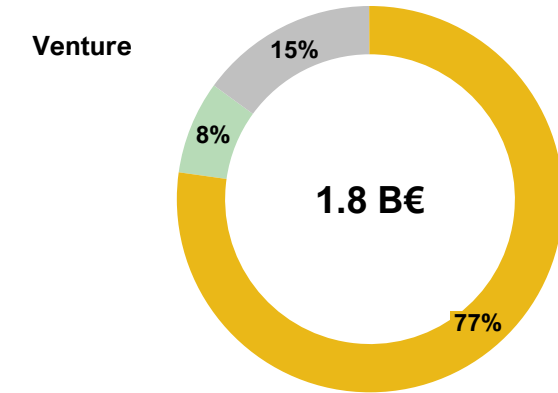
INVESTORS



PRIVATE & PUBLIC



INTERNATIONAL & DOMESTIC



- Finnish private investor
- Finnish pension fund
- KRR
- Tesi
- EIF
- International investor
- Finnish financial institution
- BFVC
- GP
- Other public institution (i.e. Sitra)

- Private
- Public

- Domestic
- EIF
- Other international



Methodology

Methodology

DATA TYPE

- The return data is calculated based on cash flows at the fund level, with individual portfolio company investment returns not included in the presentation.
- All figures displayed represent net return figures for fund investors (LP; limited partner), meaning that management fees, performance fees (carried interest), and other expenses payable to fund investors have been deducted from the returns on individual portfolio company investments.

DATA SOURCES

- The return survey is based on data obtained from Tesi's fund investments. Additionally, information has been accessible in some instances for funds in which Tesi has not invested.
- The survey includes funds managed by Finnish management companies that operate with national or international investment strategies.
- Only funds primarily investing equity have been incorporated into the survey. Debt and mezzanine funds, for example, are not part of the sample.
- The survey's sample comprises 53 funds, with an average size of around EUR 100 million (ranging from MEUR 15 to about MEUR 250).

PRESENTATION OF RESULTS

- The survey sample is categorized into venture capital funds and buyout & growth funds.
- Additionally, the funds are grouped based on their inception year, with older funds being those established between 2009 and 2015, and newer funds between 2016 and 2021.
- It is important to note that the returns of individual funds cannot be discerned from the aggregated returns presented in the survey.

Methodology: Q&A

WHY ARE RETURNS PRESENTED IN GROUPS THAT INCLUDE FUNDS ESTABLISHED IN SEVERAL DIFFERENT YEARS?

- The Finnish market is small, so funds are not established regularly. Most years, only individual funds are established so it would not make sense to examine returns based on individual years. If individual years were examined, the returns of individual funds would be revealed but no conclusions on the performance of the market as a whole could be drawn from the returns of individual managers. By grouping funds, we try to provide the most realistic and balanced picture possible, despite the small size of the market. Each fund's returns are still benchmarked against their own vintage.
- As the Finnish market develops further and more funds are raised and included in the survey sample, the fund groups will also be updated accordingly, to present readers with the most up-to-date information on the market's performance while maintaining the anonymity of individual funds in the sample.

WHY ARE NO NEWER FUNDS INCLUDED?

- VC & PE funds typically have a five-year investment period during which the funds invest in new companies. After the initial investments, portfolio companies will be developed, follow-on investments will be made (especially in venture capital), and funds will eventually make their exit. The target period from the establishment of the fund to the exit from the last portfolio company is 10–12 years, but it can often be longer. Concrete development of funds' performance based on the development of portfolio companies can typically be seen in about five years, when the funds' first investments have been active for some time, and the funds no longer invest in new companies (which are typically valued at acquisition cost for the first 1–2 years). Consequently, we have decided to limit the sample to funds set up in 2021 as they have now mostly completed their portfolios and only do follow-on investments into existing companies.

WHY ARE UNREALISED GAINS SHOWN?

- Due to the operational logic described above, it takes a long time to obtain figures for the final realised returns of the funds, so showing only realised returns does not give a true picture of the current market. Obtaining an up-to-date market snapshot thus necessitates monitoring partially unrealised returns. The funds report in accordance with international IPEV Valuation Guidelines¹ that specify the fair value criteria for valuing investments. Therefore, there is relatively good comparability of reported valuations.

Concepts used in this presentation

FUNDS' OPERATING MODEL

- Venture capital and private equity funds buy shares in unlisted companies and actively participate in the development of their portfolio companies. The fund is managed by a **general partner (GP)** and the fund's investors are usually **limited partners (LP)**.
- The fund is operated by **an administrator / a management company**. One management company can have several different funds, but usually only one of the funds makes new investments at a time, while more mature funds are in the value development / exit phase.
- Fund investors pay **a management fee** to the administrator / management company for investing in their funds and, if the return exceeds a certain pre-defined minimum level, also a share of the fund's return as **a performance fee**.
- Typically, the fund has **a term** that lasts for 10–12 years. The first five years of the term form **the investment term** during which the fund makes **initial investments**, i.e., investments in new portfolio companies. Investors do not transfer their funds to the fund all at once, but rather **capital calls** are made to transfer them gradually as investments are made. At the end of the investment term, **follow-on investments** can still be made, in companies in which the fund has already invested. Venture capital funds in particular often make follow-on investments. As the portfolio companies develop, they (or shares in them) are sold and the proceeds are **returned** to investors. The aim is to sell the last investments in 10–12 years, but if that is not possible, the term will be extended.

THE CONCEPT OF RETURNS

TVPI *DPI+RVPI = Total Value to Paid-In = (Distributions + Net Asset Value) / Paid-In capital*

DPI *Distribution to Paid-In = Capital distributed to investors / Paid-In capital*

RVPI *Residual Value to Paid-In = Current market value of unrealized investments / Paid-In capital = TVPI - DPI*

IRR *The annual return of the fund from its inception until the time of review; internal rate of return. The calculation addresses all cash flows (capital calls and distributions) from the fund's inception to the last date of the review period, and the fair value of the fund unit on the last date*

PME *Returns compared to the public market; corresponds TVPI, but deducts returns from the public stock market during the same time period = (Index-adjusted Distributions + Current market value of unrealized investments) / Index-adjusted Paid-In capital ¹*

Quartile *In fund comparisons, the observation set is usually divided into quartiles. The 1st quartile consists of the best 25%, the 2nd quartile consists of the second best 25%, the 3rd quartile the next best 25% and the 4th quartile consists of the lowest performing 25% funds.*