

# Business Overview 2024

Grow Together.

Tesi

# Tesi

- We work for the success of Finnish startups and growth companies
- We develop and serve the Finnish venture capital and private equity market
- We invest in venture capital and private equity funds, and also directly in startups and growth companies
- We operate on market terms, as a minority owner
- We advance sustainability both in venture capital and private equity industry and in companies
- Our goal is to maximise our positive social impact through our operations
- We offer information and experience to companies, investors and policymakers
- We are an investment company 100% owned by the Finnish state

# Annual Report 2024

Tesi's (Finnish Industry Investment Ltd) Annual Report comprises four sections. All sections of the Annual Report are available in Finnish and English and can be read on our website [tesi.fi](https://tesi.fi).

- **Business Overview:**

Strategy, value creation, investment operations and sustainability

- **Financial Review:**

Board of Directors' report and Financial Statements

- **Corporate Governance Statement:**

Corporate governance, internal control, and risk management systems

- **Remuneration Report:**

Remuneration principles; remuneration of the Board of Directors, Management team and the CEO



**X (Twitter)**  
[@TesiFII](https://twitter.com/TesiFII)



**LinkedIn**  
[@Tesi](https://www.linkedin.com/company/tesi-fii)



**Instagram**  
[@TesiFii](https://www.instagram.com/tesifii)



**Bluesky**  
[Tesifii](https://bluesky.social/@TesiFII)



**Threads**  
[Tesifii](https://www.threads.net/@TesiFII)



**YouTube**  
[TesiFII](https://www.youtube.com/@TesiFII)

# Table of contents

Tesi's Annual Report 2024 consists of four sections. This is the Business Overview, which covers strategy, value creation, investment operations and sustainability.

## BUSINESS OVERVIEW

|   |    |
|---|----|
| 2024 in brief.....                                | .6 |
| CEO's Review.....                                 | .7 |
| Strategy, business operations and values.....     | .9 |
| A driver of state industrial policy.....          | 10 |
| Fiscal year 2024: Preparation for a new role..... | 11 |
| Our investment operations.....                    | 12 |
| Our partners and networks.....                    | 15 |
| Up-to-the-date market insights.....               | 19 |
| Case pages.....                                   | 20 |
| Sustainability.....                               | 24 |
| Key figures for sustainability.....               | 25 |
| Managing sustainability.....                      | 26 |
| Responsible and impactful investing .....         | 27 |
| Targets, metrics and actions.....                 | 28 |
| Sustainability framework and material topics..... | 29 |
| Reporting principles.....                         | 40 |
| GRI content index.....                            | 41 |



A photograph of a person from behind, walking away on a wet, sandy beach. The person is wearing a dark hoodie and brown pants. Their reflection is clearly visible in the wet sand. The beach is wide and leads to a calm sea. In the distance, several large, dark rock formations are visible against a hazy sky.

# Fiscal year 2024

Preparation for a new role

# 2024 in brief

1.1.–31.12.2024



new investments  
and commitments



total capital raised by  
Tesi's portfolio funds



Tesi personnel  
on average

31.12.2024



portfolio funds



direct portfolio companies



funds-of-funds

## CEO's Review

# Stronger Growth Through Three Key Initiatives

Finland's economic growth has overall been modest for some years now. Although there are some rays of light – such as the rapid growth of Finnish startups and the development of Finland's venture capital and private equity (VC & PE) market in recent years – larger shifts are needed to change the big picture in a positive direction. Change calls for the courage to grow on a larger scale and for larger pools of capital to drive growth – for instance, through smart collaboration between public and private financing.

The Finnish government has assigned Tesi an even stronger role in industrial policy, focusing on economic growth, renewal, and promoting investment. Alongside our previous investments in funds and directly in companies, Tesi will accelerate future growth with three new approaches. First, we will make larger individual investments in venture capital and private equity funds to enable Finnish funds to scale up to the next level. Second, we will make larger individual investments in the best international-level scaleup companies. Third, we will start a completely new industrial investment line.

### LARGER FINNISH FUNDS

Finland's VC & PE market has developed in leaps and bounds over the past decade. New fund teams have been founded, the best business startups have raised substantial growth funding, new thematic funds have

focused particularly on specific growth sectors, and investment activities have generally become more international.

Several market surveys we have conducted show that although early-stage companies have relatively good access to financing, the funding of later-stage growth is highly dependent on international investors. The unstable geopolitical situation has impacted the global VC & PE market for several years now, resulting in a reduction in the total number of international investments and shrinkage in the size of investment rounds. Domestic funding will allow Finnish companies to compete at the international level, even in times of market turbulence.

The market needs at least a few Finnish VC & PE funds, each with around half a billion euros in investment assets. This is a significant leap, as currently, the average size of Finnish venture capital funds is around



70 million euros. In Europe, the average size is around 100 million euros.

One of Tesi's core tasks is to develop the Finnish venture capital and private equity market. Growth of the investment industry has got off to a good start, but the work is still ongoing. Now is a good time to look ahead. We must aim for funds of a European scale and take inspiration from countries like Sweden, where there are already several internationally operating Swedish-led funds.

## **STRONGER FINNISH OWNERSHIP IN TOP COMPANIES**

One of our new tasks is related to strengthening Finnish ownership. Finland has capable, fast-growing companies that have every opportunity to compete for top rankings in international markets.

The challenge, however, is that these top companies are often sold off relatively early to owners outside Finland. While international financing is crucial for companies with strong scaling potential, domestic financing helps anchor businesses in Finland – for instance, the most promising tech companies – and possibly encourages them to list on the Helsinki Stock Exchange.

When companies remain in Finnish ownership for longer, Finland benefits more through returns on in-

vestment, job creation, and tax revenue. We want to create more wealth in Finland.

Tesi never competes with private capital but instead aims to channel more of it into the market and will step aside if funding rounds succeed without Tesi. However, in larger funding rounds, there is a market bottleneck in the availability of domestic funding. As a well-known and stable Finnish investor, Tesi can help attract not only international capital but also Finnish investors into joining the financing rounds. Our longer-term goal is for Finnish private investors that have grown into a larger size bracket to shoulder a bigger role in financing the later stages of growth.

Numerous studies have been conducted on the targeting of venture capital funding. According to some of these, state venture capital investments increase companies' opportunities to secure funding from private venture capital and increase the amount of that funding. An active venture capital market and strong skills ecosystems attract international capital, especially in fast-growing, accessible markets relative to GDP.

## **NEW AND TRANSFORMATIVE INDUSTRY**

New industry is needed to transform Finland's economic structure and strengthen the country's industrial foundation. At the end of 2024, we published

[a report on industrial projects in Finland](#) that promote the clean transition and their financing opportunities. The report showed that numerous promising projects are underway – for example, in the energy transition, low-carbon business models, biomaterials, and metals sectors.

There is also visible demand for new industrial products: Europe's industrial self-sufficiency is considered important for certain strategic raw materials and components.

Here in Finland, we have good opportunities for succeeding in this competition. Affordable renewable energy and an efficient low-carbon transmission network provide an excellent framework for attracting new industry to Finland. We can also offer a stable investment environment for ambitious industrial projects that meet international quality standards. This combination will also offer investors attractive returns on their investments.

Tesi's industrial investments prioritize two types of projects: domestic industrial scale-ups and large new industrial investments. In such projects, individual industrial investments can often exceed one billion euros. Our role in these is to act as a minority investor. We are a local anchor investor providing local credibility to projects in the eyes of international investors, in addition to financing.

## **TESI'S OPERATING PRINCIPLES REMAIN THE SAME**

Tesi has 30 years of experience and proven success in venture capital and private equity investment. One of our major strengths is leverage: by professionally investing Finnish state capital in growth companies, we simultaneously leverage a substantial amount of private capital into the market. So, with a relatively small state investment, we can mobilize a large amount of private capital. Moving into the next phase, we are also looking into new tools to streamline this operating model.

Our firm operating principle is that Tesi never competes with private money. If sufficient private capital is available and a domestic anchor investor is not needed, we do not participate as an investor in the funding round.

Nevertheless, we are still a venture capitalist. The goal of our investments is therefore always to generate returns. We reinvest the profits back into the market so that an increasing number of top Finnish companies can access growth funding.

**Pia Santavirta**

# Strategy, business operations and values

Formula for growth

# A driver of state industrial policy

## – We promote the growth and internationalisation of Finnish companies

Tesi has an industrial policy mission to promote economic growth, innovation, and investments: we develop Finland's venture capital and private equity (VC & PE) market, and we promote the growth and international expansion of Finnish companies. We use multiple ways to strengthen the financing of growth companies: investing in VC & PE funds, making direct investments in startups and growth companies, and channelling private capital and EU funding to support companies' growth.

Our objective is to increase the supply of private capital by offering financing that supplements it. In line with our mandate, we operate as a VC & PE investor on market terms, making investments on the same terms and conditions as private investors. We invest hand-in-hand with private investors, and we operate mainly as a minority investor and minority owner. We

target investments made on special grounds to promote Finland's industrial policy at sectors undergoing, or expected to undergo, major structural renewal.

We develop Finland's venture capital and private equity market by also investing in funds based outside Finland. We invest especially in international funds that in turn make investments in Finnish startups and growth companies. We build a network of co-investors for Finnish growth companies and help Finnish

VC & PE funds find international fund investors.

We base our operations on researched knowledge as well as long experience. We constantly conduct market research, with a focus on technological sectors showing growth. We want to openly distribute market data. We produce insightful information about the VC & PE industry, and about startups and growth companies, and make it widely available to our various stakeholders.

Our operations must be profitable over the long term. We operate in the same way as a private investor, and we expect a return from our investments. We have an exit plan for all our investments.

We expect our investees to commit to promoting sustainability. We promote sustainability on two fronts: firstly, we help VC & PE funds and companies in developing their sustainability activities – for instance, by

providing them with practical, purpose-designed tools – and secondly, we invest in funds and companies that build sustainable growth.

The supply of equity funding varies greatly in Finland, depending on the size of the financing requirement and the company's stage of growth. Market bottlenecks also change position over time. It is essential to our operations that we are able to identify and alleviate these market bottlenecks and that we can adapt our operations to prevailing market situations.

Alongside our own investment operations, we manage off-balance-sheet funds-of-funds created with institutional investors, in which we are also an investor. We also channel EU funding into Finland.

As a 100% state-owned investment company, our operations are based on Finnish laws, decrees, and ownership steering.

**“ Our operations must be profitable over the long term. We operate in the same way as a private investor, and we expect a return from our investments.**

# Fiscal year 2024: Preparation for a new role

Under the provisions of the Government Programme of Finnish PM Petteri Orpo, the Finnish state's venture capital and private equity investment activities will be streamlined by concentrating them in the newly-founded Tesi Group and giving the new group an even stronger role in implementing Finland's industrial policy.

Starting in autumn 2023, Finland's Ministry of Economic Affairs and Employment comprehensively assessed the various options for implementing these arrangements and decided on a model whereby the operations of the Finnish Climate Fund and Oppiva Invest would be phased out in a controlled manner by the beginning of 2025, and the companies' assets and liabilities would be transferred to Tesi Group. The partial demerger of Business Finland Venture Capital is planned for 31 March 2025, when its market-based operations will be transferred to the parent company of the Tesi Group, while operations containing state aid elements will be transferred to a subsidiary called Teollisuustuki Oy, which will be responsible for Tesi Group's state aid operations.

To formalise these arrangements and Tesi's new role, a legislative amendment and a notification to the European Commission are also underway, which are expected to be completed in spring 2025. The new Tesi Group will start operations once these processes have been completed, on or around 1 April 2025.

In the Finnish government's spring 2024 session on spending limits, an additional capitalisation of MEUR 300 has been allocated to Tesi for its new task. Of this amount, the first capitalisation of MEUR 100 is included in the state budget approved for 2025.

Tesi's strategy for its investment activities was renewed in 2024 under the guidance of Finland's Ministry of Economic Affairs and Employment. The process involved a wide range of stakeholders through working groups, a consultation round and stakeholder events. At the end of 2024, Tesi's new strategy was still being formulated at the Ministry of Economic Affairs and Employment, although the broad outlines are already clear: in order to mobilise growth, Tesi will be able to participate in even larger growth funding rounds in the future. Investment operations will focus

more strongly than before on financing rounds for the scale-up phase of Finnish hi-tech companies and on the best industrial-scale projects, as well as on building Finnish funds of a larger size. The main principles of investment activities will remain the same. Despite the recapitalisation, investment decisions are never made on the basis of volume, but rather on market terms concomitant with the market situation. Tesi's goal is to promote the channelling of private capital into Finland's investment market.

Tesi's mission for almost thirty years now has been to develop Finland's venture capital and private equi-

ty market and to accelerate the growth and international expansion of Finnish companies. The principle has been to allocate growth funding to areas where market bottlenecks have been identified. This long-term work has paid off: the venture capital and private equity market has grown in leaps and bounds in recent years, and several top Finnish companies have now grown to a scale allowing them to compete in the global market.

Our mission lives with the times and evolves with the market. Currently, three major bottlenecks to growth have been identified: Finland lacks large domestic venture capital and private equity funds capable of raising larger-scale funding rounds. Meanwhile, there are insufficient domestic investors for the larger funding rounds of the best Finnish high-tech companies, and consequently ownership is transferred abroad at an early stage. The financing of industrial projects, on the other hand, has deficiencies in the commercial scaling of industrial projects and in finding domestic anchor investors for international-scale new industrial investments in the billion-euro range.

**“Tesi's mission for almost thirty years now has been to develop Finland's venture capital and private equity market and to accelerate the growth and international expansion of Finnish companies.”**

# Our investment operations

We invest from our own balance sheet in VC & PE funds and directly in startups, scaleups, new industrial projects and industrial enterprises of importance to Finland. We also invest in Finnish funds the capital that Finnish institutional investors entrust us to manage, and we channel EU financing to Finnish companies.

Investment themes support our goal of growing internationally competitive companies in skills ecosystems of importance to Finland. We believe that deep tech, defence technology, the clean economy, and health & life sciences are currently the growth sectors of the future, and that we can build sustainable growth in these sectors.

At the end of 2024, our investments under management amounted to EUR 2.6 billion. Of this, our own balance sheet accounts for EUR 2.1 billion and other investments under our management for MEUR 561.

At the end of 2024, we were owners in 546 Finnish companies, either directly or indirectly through funds. We are an active owner: during the year, we chaired the advisory boards of ten investment funds, and we were a member of 76 advisory boards and an observer on three advisory boards. We participated in

the board work of 58 companies, either as an observer or as a full member.

## OUR FUND INVESTMENTS

We invest in both Finnish and international VC & PE funds. In Finnish ones, we are often an anchor investor with the goal of increasing the size of Finnish funds to better match the international scale. We often invest in new teams because we want to strengthen the transformation and growth of the market.

At the end of 2024, we were involved as an investor in a total of 123 investment funds. We gave new investment commitments totalling MEUR 53 to altogether eight Finnish and international funds.

In 2024, we gave investment commitments to the following VC & PE funds: Voima Ventures Fund III, CapMan Growth Equity Fund III, Evolver Fund II, NSI Nordic Science I, Verdane Idun II, Superhero Venture Fund 2024, Blume Equity Fund I and Antler Nordic Fund II.

## OUR DIRECT INVESTMENTS

We invest in unlisted Finnish startups and growth companies, and we also finance the growth of indus-

**Investment themes support our goal of growing internationally competitive companies in skills ecosystems of importance to Finland**



trial-scale enterprises focusing on Finland. In line with our new strategy, we will accelerate the development of new industrial sectors, and we will also invest in the early-stage funding rounds of industrial project companies.

In the case of direct investments in companies, when making our initial investment we already look ahead to the next financing rounds they will need. We also make follow-on investments in our portfolio companies together with other co-investors.

At the end of 2024, we were involved as investors in 106 companies. During the year, we made 20 investments totalling MEUR 63. Four of these were initial investments: Pixieray Oy, Onego Bio Oy, Vapaus Bikes Finland Oy and Blastr Green Steel AS.

## KRR FUNDS-OF-FUNDS

Alongside our own fund investments, we manage the KRR funds-of-funds. The investors in KRR funds include Finnish institutional investors as well as Tesi. The purpose of the KRR funds-of-funds is to offer institutional investors a resource-efficient way of investing with controlled risk in Finnish VC & PE funds.

A total of MEUR 500 of large Finnish institutional investors' capital has been channelled into Finnish VC & PE funds through the fund operations of the KRR funds-of-funds (KRR I–V). Commitments of altogether MEUR 603 had been made to 50 VC & PE funds through the KRR funds-of-funds by the end of 2024. KRR portfolio funds have in turn invested in almost 450 Finnish startups and growth companies.

## CO-FINANCING PROGRAMMES WITH THE EUROPEAN INVESTMENT BANK

The MEUR 100 EFSI programme, launched in 2018 together with the European Investment Bank (EIB), continued in 2024. Of the financing for the Tesi-managed programme, MEUR 50 comes as EFSI funding channelled by the EIB and MEUR 50 from Tesi. By the end of the year, investments by Tesi from the programme totalled MEUR 43, in six Finnish companies, while one investment of MEUR 0.25 was made in 2024.

The EIB's share of the MEUR 100 EGF financing programme co-launched with the EIB in 2022 is MEUR 50, coming from the European Guarantee

Fund (EGF). By the end of the year, investments by Tesi from the programme totalled MEUR 10, in five Finnish companies, while one investment of MEUR two was made in 2024.

## PANDEMIC-ERA SPECIAL INVESTMENT PROGRAMMES

The temporary Stabilisation and Venture Bridge special investment programmes launched in 2020 to meet the challenges of the COVID-19 pandemic were closed to initial investments in 2022. However, follow-on investments continued also in 2024. During the year, three follow-on investments amounting to EUR 28 were made from these special programmes. Overall, a total of MEUR 337 has been invested from the programmes in 63 companies and two VC & PE funds.

## RETURNS AND EXITS FROM OUR INVESTMENTS

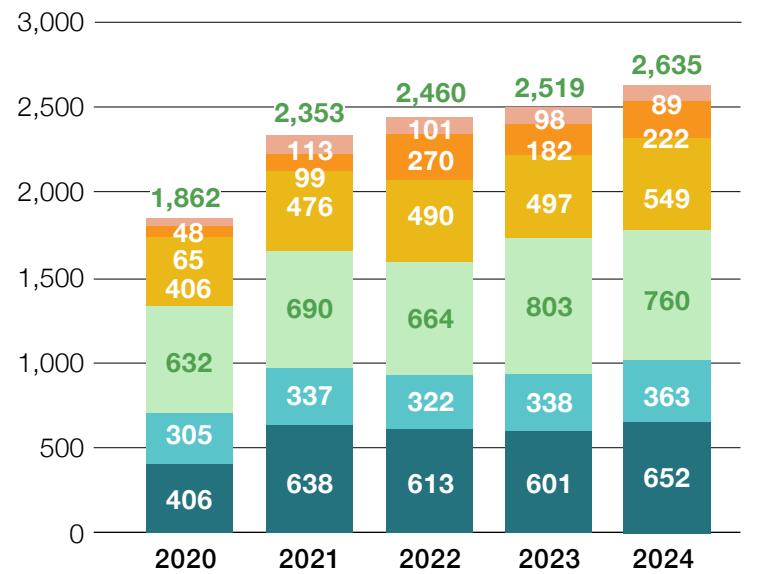
We received capital returned from funds in 2024 amounting to some MEUR 67, and altogether MEUR 86 from dividends, earnouts and exits. We exited from our investments in 9Solutions Oy, Airmodus Oy,

Aquaminerals Finland Oy, Bioretec Oy, Renoa Group Oy, LICO Oy, MariaDB plc, MetGen Oy, M-Files Oy, Phaver Oy, Ultimate Enterprises Oy, Netled Oy, and Human Engineering Health Oy (Veri). We also exited from one portfolio company under the corona-specific stabilisation programme. Our portfolio companies Blok Enterprises Oy, Fake Production Oy, Flexound Systems Oy, Injeq Oyj, Maas Global Oy and uFaktor Oy all filed for bankruptcy.

## CAPITAL MANAGEMENT AND INVESTMENT RETURNS

Tesi is financed by equity. Tesi has a dividend policy, according to which it separately returns in full to its owner any proceeds from special investment programmes that were capitalised by its owner. Proceeds from other investment operations are mainly re-invested in line with the investment strategy approved by the Board of Directors. Final decisions on any payment of dividends or capital returns, however, are made by the Annual General Meeting.

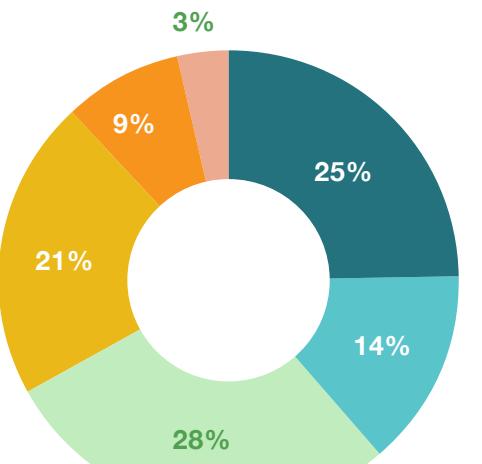
## Tesi's investments under management, MEUR



- Venture capital funds
- Growth and buyout funds
- KRR funds-of-funds\*
- Direct investments
- Special investment programmes
- EU mandates

\* The five KRR funds-of-funds managed by Tesi include in total MEUR 472 of pension fund capital

## Tesi's investments under management 31.12.2024, MEUR 2,635



- Venture capital funds
- Growth and buyout funds
- KRR funds-of-funds\*
- Direct investments
- Special investment programmes
- EU mandates

# Bold solutions together – our partners and networks

Our vision is to create in Finland Europe's strongest and most competitive ecosystem of startups and growth companies. We believe that by acting in line with our values – finding bold solutions together – we can achieve our goals.

Everyone is needed to build growth. Our main stakeholders are our own personnel, our Board of Directors and owners, VC & PE funds, and Finnish startups and growth companies. Our key stakeholders also include other actors in the venture capital and private equity market, such as fund investors, co-investors and banks. Our stakeholder network further extends to other partners, including the media, policymakers and social influencers. We liaise and share information with our partners in work groups, and at meetings and events, as well as through our own communication channels that include our website, social media and our newsletters.

Venture capital and private equity investment is a collaborative effort, so strengthening our Finnish and international investor networks is one of the cornerstones of our operations. Often, doing things together

starts with face-to-face encounters. In early summer, we arranged the Tesi summer party – now an established tradition – for a large crowd of our partners. We brought together players in the Finnish and international venture capital markets with the startups and growth companies in our investment portfolio at an autumn event we organised. In 2024, Tesi arranged a total of 24 events attended by over 1,416 participants, in addition to Tesi employees.

We help new entrants get started in the investment industry. Alongside our extensive internship programme, we collaborate with university students in a variety of ways, and we also organised networking and information events for both students and new members of investment teams.

We also participated in the main events of the investment industry during the past year. Tesi staff spoke at several events related to Finland's Slush startup and tech event and at Climate Week in New York, as well as at other events.

In addition to Slush, we collaborated with Arctic15, the Finnish Family Firms Association, the Finnish Ven-

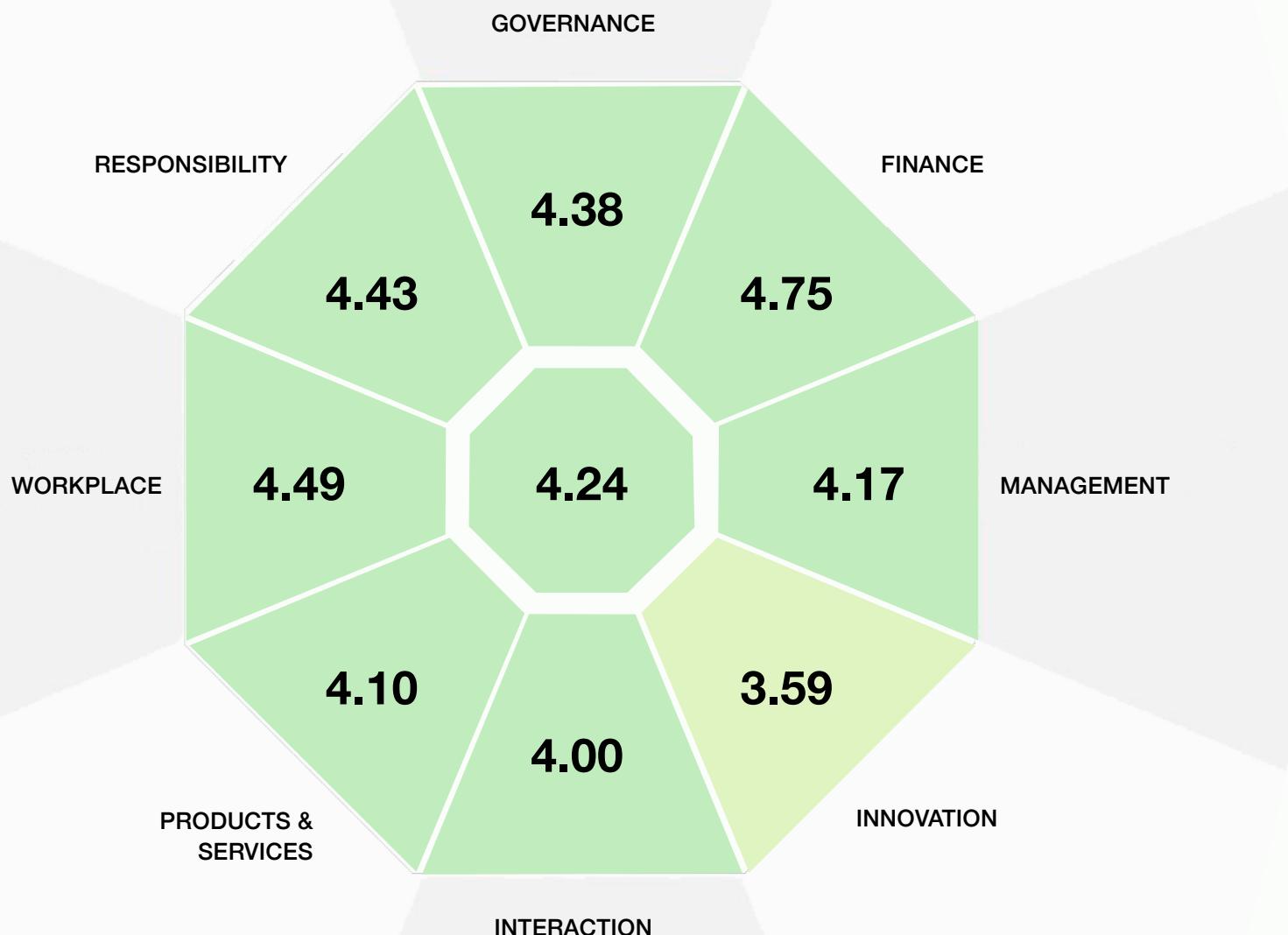
ture Capital Association, Finnish startup community, and Level 20. We expanded our cooperation network by starting collaboration with the National Business Transfer Forum and the Startup Foundation, both Finnish organisations. Check out all our partnerships on page [17](#).

We are part of Team Finland, which accelerates the international growth of Finnish companies. During 2024, we intensified our cooperation with, for example, Finnvera, Business Finland and VTT Technical Research Centre of Finland.

Tesi's Advisory Board (TAB), appointed by Tesi's Board of Directors, is a key element in our community relations network. The role of TAB is to act as an advisory body. See more information about TAB in our [Corporate Governance Statement](#).

As a state-owned investment company, we operate under the guidance of Finland's Ministry of Economic Affairs and Employment and we engage in active dialogue with our owner.

**Luottamus & Maine, spring 2024, views of Tesi by Finnish VC & PE investors and startups and growth companies**



**CASE**

## **Tesi earns top ratings from its portfolio**

Tesi's reputation and stakeholder support are at an excellent level among its portfolio – including both businesses and venture capital and private equity funds – according to the Luottamus & Maine (Trust & Reputation) survey conducted in September 2024. The overall reputation score was 4.2 and stakeholder support 4.1 on a scale of 1–5.

Among the components of reputation, Tesi received the highest ratings in financial management, workplace, and responsibility—while scoring lowest in innovation. Tesi's strategic statements, such as “Tesi promotes the growth and internationalization of Finnish companies,” “Tesi is an active private equity investor and a skilled owner,” and “Tesi actively shares

market knowledge,” were all rated very good or good.

In terms of stakeholder support, Tesi received excellent or good ratings for trust, responsiveness to stakeholder views, positive word-of-mouth, crisis responsiveness, and support for proposals. The only statement receiving a moderate rating was related to willingness to apply for a job at Tesi – despite the fact that its employer image remains at an excellent level.

The study was conducted across eight dimensions: responsibility, governance, financials, leadership, innovation, interaction, products and services, and workplace. A total of 99 respondents participated, with a high response rate of 32%.

# Tesi's partnerships and memberships 2024



[AaltoPEC](#)

Student organization at Aalto University



[Directors' Institute Finland](#)

Association promoting good governance practices



[EIC Trusted Investors Network](#)

Network for institutional investors



[European Women in VC](#)

Community of women in venture capital



EVFIN

The European Venture Fund Investors Network



[Female Foundry](#)

Community of women founders in the venture capital and private equity industry



[FiBAN](#)

Early-stage investor collaboration body targeting companies



[FIBS](#)

Nordic region's largest CSR network (corporate social responsibility)



[FINSIE](#)

Network for responsible investing



[Board Professionals Helsinki](#)

National network for board professionals



[The Helsinki Region Chamber of Commerce](#)

Business network



[ILPA](#)

International association for limited partners



[Invest Europe](#)

Trade association for the European venture capital and private equity industry



[Kasvuryhmä](#)

Community for medium-sized growth companies (Growth Collective Finland)



[Level20 Finland](#)

Community promoting diversity in private equity



[Nordic Innovation House](#)

Community of Nordic startups and investors in the USA



[Nordic Venture Network](#)

Network for Nordic VC investors



[The National Business Transfer Forum](#)

Forum for ownership changes, managed by the Federation of Finnish Enterprises



[Finnish Venture Capital Association](#)

Advocacy organization for Finland's venture capital and private equity industry



[The Finnish Family Firms Association](#)

Community for family businesses



[Startup Foundation](#)

Foundation supporting new and aspiring entrepreneurs



[Finnish Startup Community](#)

Startup community in Finland



[Tech Tour](#)

Europe's largest network for tech companies and investors

# Up-to-the-date market insights

In addition to solid experience and expertise, our investment activities are built on research-based knowledge. The research we conduct combines the expertise of different teams and provides up-to-the-minute information about companies, VC & PE funds, and the financing they raise. Research activities are carried out in cooperation with our numerous partners: in 2024, we led market research on clean transition growth companies in the Nordics together with seven other Nordic state-owned venture capital and private equity investors.

During 2024, we further developed our data model, which is used for managing financial information, preparing forecasts and enhancing investment activities. It is also used to collect a wide range of market data and as a tool for analyses conducted by Tesi's experts.

We share, with our owner and with the market at large, information about the financing of Finnish growth companies in different sectors and the development of Finland's skills ecosystems. Sharing market data is part of our strategy and is an element of our

mission to develop Finland's VC & PE market. We also serve international investors – a large part of our materials are available in both Finnish and English.

In 2024, we built the first version of the Market Data portal on our website. Its purpose is to provide an up-to-date and easily-summarised situational picture of Finland's venture capital and private equity market. The Market Data portal also contains information about Finnish defence companies and Finnish deep tech companies. Tesi will continue to develop its Market Data portal over the coming years. [Check out our Market Data portal](#).

**“ We share, with our owner and with the market at large, information about the financing of Finnish growth companies in different sectors and the development of Finland's skills ecosystems.**

## IN 2024 WE PUBLISHED TEN MARKET STUDIES OR SURVEYS:

- [Growth Company Pulse Survey](#)  
(study deck in Finnish only)
- [Tesi's Survey of Investment Returns](#)
- [Cleantech in the Nordics](#)
- [Cleantech in Finland](#)
- [Composition of Boards of Directors of Finnish companies](#)
- [Defence: Market study of Finnish military product and dual use companies](#)
- [Diversity and Carry Allocation Review](#)
- [Deep Tech Study Finland](#)
- [New industrial projects](#)



## CASE

## Verdane – Advancing clean economy and internationalising Finland's private equity market

Verdane is a European private equity investor managing around 15 private equity funds. In autumn 2024, Verdane announced its second Idun fund, sized at EUR 700 million, with investors including Nysnø Climate Investments, MN, Carbon Equity, and Tesi. The new fund invests in innovations that reduce carbon dependency.

“In addition to promoting a clean economy, Verdane’s Idun family is a pioneer in impact measurement. The fund also makes larger growth investments

in its segment than Finnish private equity investors. Furthermore, Verdane’s Finland team has grown, and as an international manager, it has been active in the Finnish market, as well. The latest Idun fund thus brings significant new capital and expertise to the reach of Finnish clean economy growth companies,” explains **Samuel Wendelin**, Investment Director in Tesi’s Fund Investments team.

[Read more on our website.](#)

**CASE**

## Blastr – An example of Tesi's new industrial policy role

Ultra-low CO2 steel manufacturer Blastr Green Steel (Blastr) announced a financing round with strategic partners in the summer 2024, advancing the development of its flagship steel plant in Finland. Global steel industry leader Cargill Metals, Germany-based steel trader INTERFER Group, Tesi, and Blastr's founder Vanir Green Industries participated in the equity financing round by the Norwegian-based company.

“Blastr fully aligns with Tesi's industrial scale-up strategy aimed at promoting economic growth, innovation, and investments. We look forward to providing our long-term support to the project, which will create significant economic activity in Finland by leveraging

our rapidly growing local renewable energy industry to offer new competitive solutions for reducing global emissions and driving the clean and green transition,” comments **Esa Koponen**, Investment Director at Tesi.

In February 2025, Blastr announced a follow-on funding round, which, in addition to the three founding partners, included three new Finnish investors: Aurora Infrastructure, Onvest, and Security Trading.

Blastr's previously mentioned original strategic partners provided additional capital in the funding round and increased their ownership in the company.

[Read more on our website.](#)

**CASE**

## M-Files – Tesi's largest exit in its history

M-Files, a long-term portfolio company of Tesi and a market leader in information management automation, announced in late summer 2024 a majority investment by U.S.-based Haveli Investments and European Bregal Milestone. As part of the transaction, Tesi exited its ownership along with other shareholders.

“As an investor, it has been great to follow the growth story of M-Files for more than ten years. M-Files is a prime example of how to grow a Finnish high-technology, entrepreneur-led company into a world-class business. We are also happy that this ownership arrangement gives the company even better conditions to grow the business in the important North American market and at the same time secure continuity as an independent company, where Finnish ownership is maintained via the founders and personnel,” says **Juha Lehtola**, Director of Tesi’s Venture and Growth Investments team.

“Tesi’s participation with a significant investment in

M-Files’ first financing round in 2013 was very important and enabled the financing round to take place. Since then, Tesi has supported the growth of M-Files through board work and has brought stability to the ownership base. From M-Files’ point of view, Tesi’s investment in the company has achieved all of its goals,” adds **Antti Nivala**, Founder and CEO of M-Files.

Tesi has been the only Finnish institutional investor in M-Files since the company’s first financing round in 2013. During Tesi’s ownership, the company succeeded in acquiring more growth capital several times, its turnover has increased more than tenfold, and operations turned profitable. Tesi owned some ten per cent of the company’s equity and the exit is the largest in its history in terms of euros.

[Read more on our website.](#)



## CASE

## Domestic defence industry on the rise

According to a study published by Tesi in September 2024, Finland's domestic defence industry is experiencing strong growth: new startups and growth companies are being founded at an increasing pace, while more established firms are scaling up to the next level. The fastest growth rates are seen in dual-use companies offering solutions for both civilian and defence applications, with revenue growth reaching 30–40 per cent. These companies are also attracting investor interest.

“In addition to the requirements of strategic defence

policy, the defence industry is also a globally growing sector. A powerful base of Finnish companies and new innovations provide Finland with secure emergency supplies as well as with economic opportunities,” says **Keith Bonnici**, Investment Director in Tesi's Venture and Growth Investments team.

Defence technology is one of Tesi's strategic investment themes, prioritised in its investment selection process.

[Explore the full study on our website.](#)



# Sustainability

Sustainability governance and responsibility in our own operations

## Responsibility in a nutshell



of new investees – ESG DD conducted



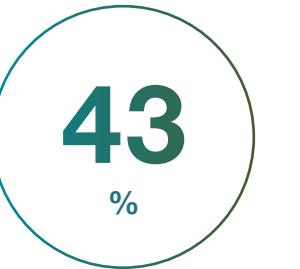
of new direct investees – impact assessment performed



CO2e\* Tesi's carbon footprint



Employee Net Promoter Scores (eNPS, scale -100 to 100)



of Tesi's Board of Directors are women



of the personnel feel that Tesi takes care of their wellbeing

\*excluding investees' emissions (Scopes 1-2)



# Managing sustainability

At Tesi, sustainability is an important strategic development target. There are two dimensions to our overall sustainability: responsibility (ESG) and impact. Responsibility (ESG) refers to the responsibility for our own operations with regard to the environment, the economy, people and corporate governance. Impact is the positive outcome that we achieve in society and/or the environment through our operations. The main impacts of our operations are produced by our investments, so we prioritise developing our investment-related practices.

Alongside our investment operations, we promote sustainability through supporting companies and investment funds in their sustainability journeys – for instance, by providing them with practical tools. Read more about these tools on our [website](#).

We pursue the Sustainable Development Goals of the UN's 2030 Agenda. The Finnish state's ownership policy guidelines on responsibility and remuneration practices also contribute to the development of our

operations.

Tesi's Board of Directors approves the company's sustainability policy and its principles for responsible and impactful investment and supervises compliance. The Board also approves the goals for sustainability when formulating Tesi's action plan and remuneration targets. Tesi's CFO, Kim Höijer, is responsible for managing sustainability and all personnel are responsible for implementing sustainability in their own work.

We report on sustainability governance and the responsibility of our operations yearly in our Annual Report. We report on our performance to our owner (Finland's Ministry of Economic Affairs and Employment) at the company's Annual General Meeting. The other dimension of sustainability – impact – is reported in our separate Impact Review. In conjunction with this, we also report on the ESG-related progress of our portfolio funds and companies. The development of sustainability and the targets are addressed each year as a part of the company's operational planning.

## CORPORATE RESPONSIBILITY (ESG) POLICY

- Sustainability is one of our operating principles and an underlying element in our investment and decision-making processes. Tesi's Responsibility Policy describes the principles for responsibility in the operations of Tesi and its subsidiaries. Investment activities are governed by separate principles for responsible and impact investment.
- Tesi's Board of Directors approves the corporate responsibility policy and monitors compliance with it.
- The CFO is responsible for managing sustainability and all personnel implement sustainability in their own work.
- Our goal is to focus on material topics, which will be updated as needed. Until 2025, the most important themes are the climate change mitigation, employment practices, and governance.
- We report openly about our own operations and the development of responsible and impactful investing.

# Responsible and impactful investing

The guiding principle for responsible and impactful investing is to integrate sustainability into investment processes and skilled ownership. When we make an investment decision, we need to see that the investee company or fund is willing to develop its sustainability and that, together with our partners, we will be able to influence the development of its operations. Our aim is to maximise our positive net impact by creating value in our portfolio companies and also, through our operations, by promoting the alignment of Finnish companies' businesses with sustainable development goals. Our investees report to us annually on their ESG-related progress.

In direct investments, we evaluate the risks and opportunities of the investees' environmental, social and governance (ESG) aspects as well as their economic impacts. If the prerequisites are not fulfilled, we do not make an investment. Furthermore, we examine the potential positive impact of an investment, and evaluate how to magnify that impact in the near future.

In fund investments, we evaluate the GPs' operating principles with regard to responsibility and impact, and how these have been integrated into investment processes. In addition, we evaluate the GPs' actions as a responsible employer with regard to their own personnel.

As an owner, we operate in a sustainable and interactive manner with our portfolio funds' management companies and our co-investors. In collaboration with market players, we share information and develop new operating models that enable a more versatile evaluation, measurement and monitoring of investment impacts. In 2024, we updated the SG matrix we published the previous year. The SG matrix is a practical tool for developing corporate social responsibility and good governance. We also published an ESG reporting template that we developed together with key stakeholders. [Check out the sustainability materials and tools on our website.](#)

## PRINCIPLES OF RESPONSIBLE AND IMPACT INVESTING

- For us, sustainable investment means addressing both responsibility and impact aspects when screening prospective investments and when developing and growing portfolio companies. [The framework we developed](#) forms our basis for sustainable investment operations.
- We use the [UN's Principles of Responsible Investment](#) as the baseline for responsible investment. Read more about the impact of Tesi's investments in our [Impact Review](#), published every autumn.
- We promote development of the sustainability policies and practices of our portfolio funds and companies
  - in work on boards of directors and advisory boards

# Targets, metrics, and measures

One of our main company-level sustainability targets for 2024 was to develop the measurement of carbon footprint. Our focus was to get investees actively managed by Tesi to measure their Scope 1, 2 and 3 emissions of greenhouse gases (GHGs). The target was to maximise the number of Tesi's investees committed to calculating all their GHG emissions (Scope 1–3 emissions as per GHG Protocol) in 2024. For GPs, this meant also the carbon footprint of their portfolios.

For measuring carbon footprint, we have developed GHG measurement materials and a calculator that are freely available to all companies. Additionally, Tesi has encouraged our portfolio companies – VC & PE funds as well as startups and growth companies – in calculating their carbon footprints.

Although there is still some way to go before reaching full coverage, we achieved the set goal: 43% of our active investees committed to calculating their carbon footprints.

Other measures related to sustainability included internal trainings for personnel on our sustainability tools as well as the changes in sustainability reporting.

For us, sustainability is an important strategic prior-

ity, and 30% of our company-wide bonus targets are related to ESG and impact.

## **SUSTAINABILITY TARGETS AND MEASURES FOR 2025**

In 2025, we want to focus more on the individual development needs of different companies and GPs. For the coming year, we have chosen five areas: 1) ESG or sustainability principles, 2) executive remuneration, 3) carbon footprint and emission reductions, 4) diversity, equity and inclusion, and 5) information security. Our goal is to select the material topics for each of our active investees in these areas, and to reach a certain level in the topic during the year. To support development, we create support materials and organise trainings.

In 2025, we will continue personnel trainings. For the first time, we are also conducting a double materiality analysis in accordance with the CSRD reporting framework. Although the CSRD reporting requirements do not apply to Tesi, we will develop our sustainability efforts and reporting based on the results of the analysis.

In addition to the aforementioned, some teams have their own goals for improving sustainability.



# Tesi's sustainability framework and material themes

Tesi's sustainability framework sets guidelines for our investment activities and other operations. It supports the management, measurement and communication of our sustainability efforts. The framework includes both responsibility for our own activities (footprint) and the indirect impact of our activities (handprint). In the framework, we have divided sustainability into four main themes: Prosperity, Planet (E), People (S), and Governance (G). Several standards and recommendations are used as source material for the framework, including GRI<sup>1</sup>, SASB<sup>2</sup>, WEF (SCM)<sup>3</sup> and the EU's Sustainable Finance Action Plan.

Tesi's material themes are derived from a stakeholder survey conducted in 2020, the work of our sustainability team, and comments from our other teams. The material aspects are: economic prosperity and sustainability; innovation activities; climate change mitigation; management of waste and materials; diversity and equal opportunities; skills and education; working life practices; corporate governance, and

risk management. In 2024, we focused especially on climate change mitigation, working life practices, and corporate governance.

We support climate change mitigation most effectively through our portfolio by encouraging companies to create solutions for slowing down climate change and adapting to it, as well as by promoting and requiring the measurement and reduction of emissions. Tesi reports on its own carbon footprint every year. Furthermore, calculation of the GHG emissions of Tesi's investees was included in Tesi's company-level targets in 2024.

To obtain a skilled workforce, companies need to be able to utilise expertise and talent more widely and comprehensively. For this to be achieved, sustainable working life practices are paramount. We promote this by encouraging compliance with good practices both in our investment portfolio and the wider market.

As a VC & PE investor, we have a very comprehensive overview of GPs and Finnish companies. We

share our own practices, market insights, and practices we observe in the market with both our portfolio companies and other players in the venture capital and private equity market. We also annually monitor the development of diversity in investment teams and in the boards of directors of Finnish companies.

In 2025, we will update Tesi's material themes when we conduct a CSRD double materiality analysis. The new themes will be incorporated into operational planning and goal-setting for the coming years.

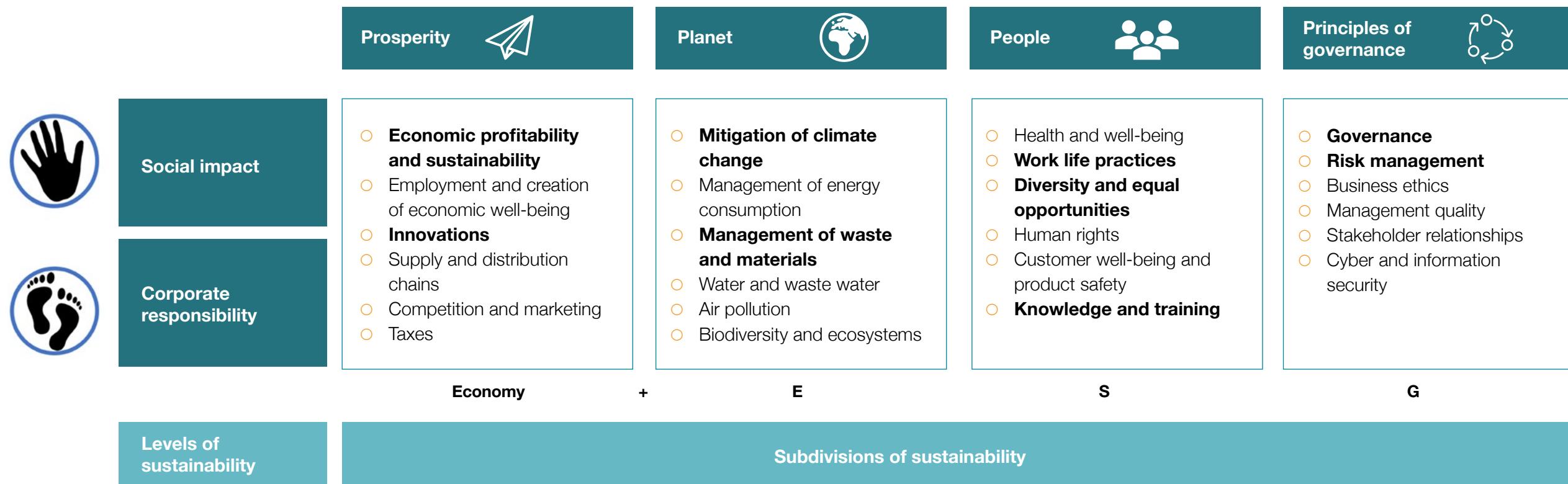
**” Tesi's sustainability framework sets guidelines for our investment activities and other operations. It supports the management, measurement and communication of our sustainability efforts.**

<sup>1</sup> Global Reporting Initiative

<sup>2</sup> Sustainability Accounting Standards Board

<sup>3</sup> World Economic Forum (Supply Chain Management)

# Sustainability framework



# Prosperity – a more productive economy, more sustainable wellbeing

The concept of prosperity in our sustainability framework addresses how, through our operations, we can build long-term and sustainable prosperity for our owners, employees and the wider society. The material themes of prosperity that we have prioritised are economic profitability and sustainability, and innovation.

## TESI'S 29 YEARS OF OPERATION

- Our operations have accumulated retained earnings of MEUR 1,024.
- The total capital that the Finnish state has injected into Tesi, MEUR 929, has grown into MEUR 1,953 of shareholders' equity.
- The imputed return on investment (internal rate of interest) for the Finnish state, taken over the whole period of Tesi's operation, has been approximately 6.7% after taxes.
- Income tax paid to the Finnish state over MEUR 120 over the last 10 years
  - MEUR 17 in taxes paid to the state in 2024

Our operations have a significant impact on the creation of new funds, on the development of Finland's VC & PE industry, and on the channelling of both international and domestic capital flows into the funding of Finnish growth companies. Our direct economic impacts consist of direct investments, capital calls paid to portfolio funds and companies, payments to suppliers of goods and services, employee benefit costs, income taxes paid, and investments.

Innovations are the prerequisite of transformation and growth. In our own operations, this means continuous development and evolution of our practices as well as co-development, along with other players, of new instruments and practices that will advance the VC & PE market. We have considerably enhanced our capabilities for producing, utilising and sharing insights about Finland's VC & PE market and Finnish growth companies.

Read more about our impact on the market in our [Impact Review](#).

## Key figures

|  | IFRS 2024 | IFRS 2023 | IFRS 2022 |
|--|-----------|-----------|-----------|
| Group's investments and commitments, MEUR              | 2,074     | 1,921     | 1,958     |
| No. of portfolio companies, directly and through funds | 1,303     | 1,788     | 1,188     |
| Consolidated profit                                    | 165       | -51       | -26       |
| Group, shareholders' equity                            | 1,953     | 1,788     | 1,929     |
| New commitments during fiscal year                     | 116       | 235       | 297       |
| Government investments in Tesi since 1995, total       | 929       | 929       | 1,019     |

## Capital flows by stakeholder group, EUR thousand

|  | IFRS 2024                                     | IFRS 2023 | IFRS 2022 |
|--|---|-----------|-----------|
| <b>Customers</b>                       | Net sales                                     | -         | -         |
| <b>Portfolio companies</b>             | Direct investments paid                       | 63,381    | 75,681    |
|  | Repayments of investments and sales proceeds  | 87,164    | 110,288   |
| <b>Portfolio funds</b>                 | Capital calls paid to funds                   | 110,624   | 96,724    |
|  | Cash flows received from funds                | 67,960    | 74,285    |
| <b>Suppliers of goods and services</b> | Other operating expenses                      | 7,217     | 5,003     |
| <b>Personnel</b>                       | Salaries and fees                             | 7,649     | 6,599     |
|  | Pension expenses                              | 1,105     | 975       |
|  | Other employee costs                          | 235       | 261       |
|  | Employee costs, total                         | 8,990     | 7,834     |
| <b>Public sector</b>                   | Income taxes                                  | 11,879    | 7,671     |
| <b>Charitable bodies</b>               | Donations given                               | 3         | 4         |
| <b>Shareholders</b>                    | Dividends paid to the owners                  | -         | 0         |
|  | Equity repayment*                             | -         | 90,000    |
| <b>Investments</b>                     | Investments in tangible and intangible assets | 5         | 1         |
|  |   |           | 251       |

\* The return of MEUR 90 in capital to Tesi's owner, the Finnish state, at the start of the year. The returned capital came from exiting investments under the corona-specific Stabilisation and Venture Bridge special investment programmes. The returns and capital from the programme are returned in full to the state.

# Tax footprint and principles on taxation

Tesi's Board of Directors outlines the taxation principles applicable to the company's operations in its corporate responsibility policy. We address taxation in our business planning and decision-making as one factor in achieving our business targets and in ensuring a balanced position in terms of taxation. We do not accept tax evasion and we do not engage in aggressive tax planning. In handling Tesi's taxation, the thorough completion and timely submission of tax returns are important, as also is fulfilling all other requirements and obligations set by legislation.

In addition to investing in Finnish funds, we also make investments in international funds. VC & PE investments involve careful consideration of tax issues in the investment screening stage. We pay taxes to Finland on all our income under the provisions of Finnish tax legislation. We do not receive any preferential tax benefit from international fund investments.

In accordance with established practice in the VC & PE sector, we invest in funds that are flow-through entities as regards taxation. This means the fund itself is

not liable to tax, but instead the income the fund generates is taxed at the investor level, according to the investor's own tax status. This avoids double taxation.

We report the taxes we pay in compliance with the accounting practices applicable in Finland, and we also declare the geographical domiciles of fund investments and other information as required by the instructions applicable to state-owned companies in Finland. We only invest in funds that are domiciled in a country or place that has signed a data exchange agreement with Finland.

[Read more about our Impact Review.](#)

[Read more about our Financial Statements.](#)

In this report, the essential taxes and tax-like payments are classified by the type of tax. In line with the materiality principle, the following taxes have not been reported owing to their insignificant amount: excise duty, tax on certain insurance premiums, and withholding tax.

## Key figures for taxation, EUR thousands

|   | 2024    | 2023    | 2022    |
|---|---------|---------|---------|
| Net sales (Group companies do not have any net sales) | -       | -       | -       |
| Profit before taxes                                   | 200,748 | -68,759 | -33,233 |
| Number of personnel                                   | 57      | 51      | 48      |

## Taxes paid and taxes payable, EUR thousands

|  | 2024          | 2023          | 2022          |
|--|---------------|---------------|---------------|
| Income taxes                               | 16,028        | 10,800        | 14,238        |
| Employer's contributions                   | 1,341         | 1,236         | 1,060         |
| VAT that has not been deducted *           | 1,365         | 942           | 823           |
| Asset transfer tax                         | 0             | 30            | 45            |
| <b>Taxes paid, total</b>                   | <b>14,585</b> | <b>9,849</b>  | <b>21,148</b> |
| Employee tax payments (PAYE)               | 2,323         | 2,337         | 1,711         |
| <b>Taxes payable, total</b>                | <b>2,323</b>  | <b>2,337</b>  | <b>1,711</b>  |
| <b>Taxes paid and taxes payable, total</b> | <b>16,908</b> | <b>12,186</b> | <b>22,859</b> |

\* Finnish Industry Investment Ltd's group companies do not have any sales subject to value-added tax (VAT). For this reason, these companies cannot deduct or offset VAT from their purchases

# Environment – climate first, big picture in mind

The concept of environment in our sustainability framework covers climate change mitigation, energy use management, waste and materials management, water and wastewater treatment, reduction of air pollution, and the protection and restoration of biodiversity and ecosystems. Of these topics, we have defined waste and materials management and, especially, climate change mitigation as material for us.

The environmental impacts of materials used in our own operations are rather small, but we try to reduce them in all our activities. In 2024, we continued our work on developing calculation of our own emissions and reformulated the calculation to be even more detailed: we chose a partner for monitoring work-related travel emissions and will start using these services in 2025. We analysed the carbon footprints of our projects and operations through our service providers.

Promoting the carbon footprint calculation of portfolio companies and fund managers was also included in the company-level remuneration targets set by Tesi's Board of Directors.

We try to reduce carbon dioxide emissions caused by our employees by providing remote meeting practices and tools – all our internal events can also be attended remotely. We encourage our personnel to use public transport. We offer our personnel employer-subsidised commuter tickets and employer-subsidised bicycles.

We promote material efficiency and carbon neutrality in our investment operations – for example, through our circular economy programme. We invest directly, or indirectly through funds, in companies that are directly solving environmental problems.



# Tesi's carbon footprint

Since 2022, we have been calculating our carbon footprint using the internationally accepted [GHG Protocol](#) methodology. The GHG Protocol is the most widely adopted and well-known framework for measuring and reporting an organisation's carbon footprint. The Protocol divides emissions into three different scopes. Scope 1 and Scope 2 include greenhouse gas emissions an organisation causes directly by its own operations and indirectly when the energy it purchases and uses is produced. Scope 3 encompasses indirect greenhouse gas emissions in an organisation's value chain. Scope 3 includes 15 categories.

Emissions in Scope 2 are generated by office heating, as it is currently not possible to get emission-free district heating in office premises. However, electricity and cooling are emission-free, as in the previous year.

We will compensate Scope 2 emissions generated by the use of district heating in 2024 with [carbon removal credits](#) certified by the Finnish company Puro.earth. The carbon removal credits are based on biochar technology, in which carbon dioxide is removed from the atmosphere and stored in biochar. Biochar is a carbon-rich solid substance made from biomass that binds carbon dioxide in a permanent form for a long period of time.

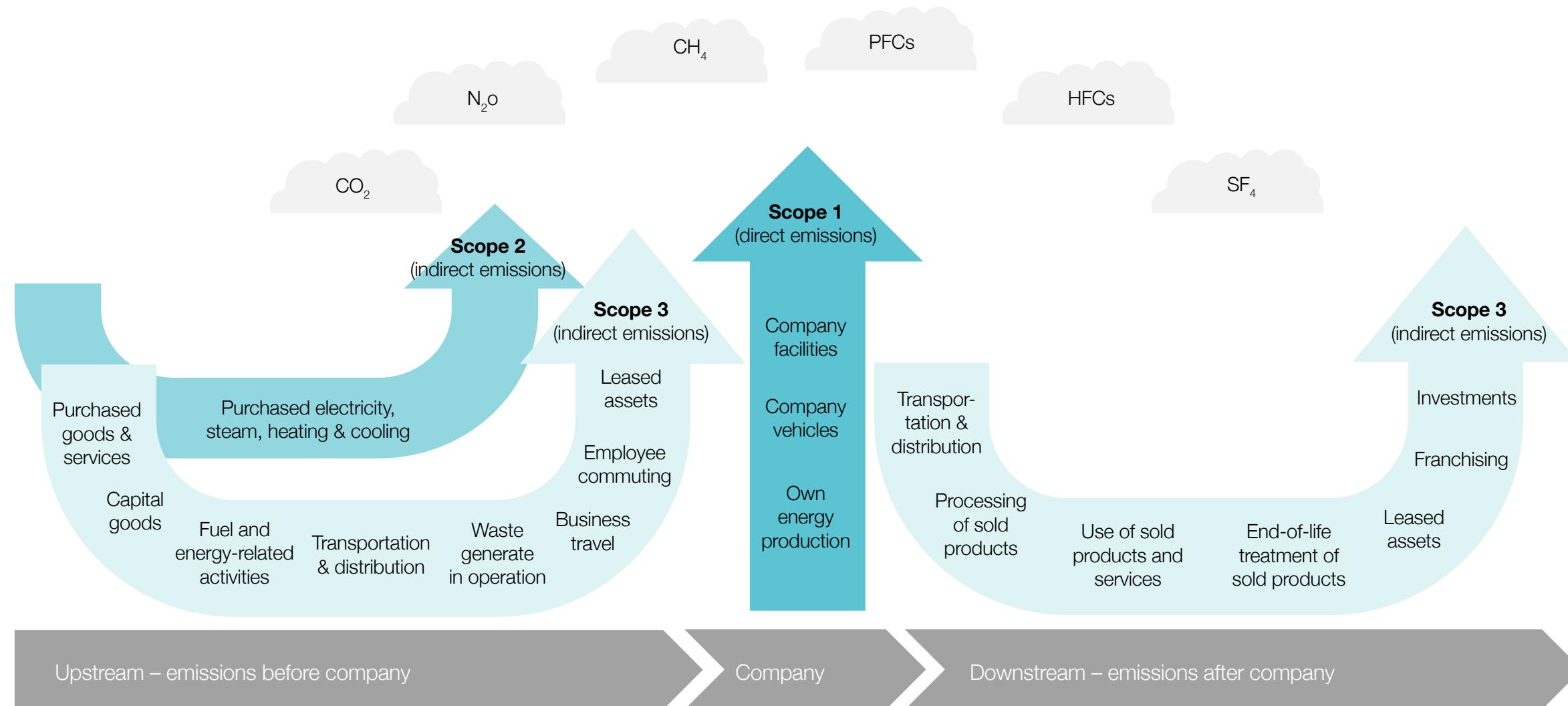
Based on the previous year's calculations, most of Tesi's emissions are generated in the value chain (Scope 3), where the largest emission sources are related to travel and our investments. These emissions will be examined in more detail in an Impact Review to be published in autumn 2025.

## Tesi's carbon footprint by emission scope, t CO2e

|         | 2024  | 2023          | 2022          |
|---------|---|---------------|---------------|
| Scope 1 | 0   | 0             | 0             |
| Scope 2 | 12  | 18            | 13            |
| Scope 3 | <b>To be reported in the Impact Review in H2/2025</b> | <b>94,177</b> | <b>55,182</b> |

\* The increased Scope 2 emissions in 2023 compared to 2022 were mainly due to a change in the district heating emission factor, as there was little change in energy consumption between 2022 and 2023. District heating consumption decreased by 9% from 2023 to 2024. For Scope 3, the emission calculation of investments was revised and covered 90% of investment assets, compared to 56% in the previous year.

# Formation of carbon footprint



# People – results are achieved together

The concept of people in our sustainability framework covers the impacts of our operations on occupational health & safety, employment practices, diversity & equal opportunities, human rights, customer wellbeing & product safety, and skills & training.

Of these, the material themes that are prioritised in our operations are diversity & equal opportunities, skills & training, and – in particular – working life practices. Our goal is a committed, skilled, motivated and healthy personnel in both our own and our investees' organisations. We want to improve the image of the PE & VC industry and increase the understanding of diversity among players in the sector. We encourage and require compliance with good employment practices in all our portfolio companies and in the management companies of our portfolio funds.

## PERSONNEL AND CORPORATE CULTURE

We communicate transparently about our operations, and our values – Solutions, Boldly, Together – have proven to be excellent guideposts. Our personnel's commitment and motivation strongly depend on all employees having equal opportunities to develop in their work, and to improve their skills and expertise in a versatile way.

One of our values – Together – is implemented

through including employees in a broad spectrum of activities. Since 2021, the personnel have had a six-monthly rotating representative in the Management Team who regularly organises personnel discussion sessions. The deliberations of these sessions are communicated onwards to the Management Team to keep its members informed. The Management Team's agendas and summaries are also distributed to all personnel.

### IN THE YEAR 2024

- Tesi's employee experience developed positively – in the personnel survey, all general satisfaction metrics, and most responses comparable to the previous year, improved.
- In our efforts to improve employee experience, we focused especially on the experience of meaningfulness and clarity of work, on the development of inter-team cooperation, and on strengthening the experience of equity. In all selected development areas, the results showed improvement and were on a good level.
- We published Tesi's new personnel handbook, which includes all of Tesi's personnel and employment guidelines, as well as updated

Tesi's personnel policy. We conducted a feedback project covering all our personnel, which offered all Tesi employees the opportunity to receive extensive and detailed feedback on their own work from colleagues and supervisors.

- We conducted an inter-team cooperation exercise providing feedback between the teams and we examined concrete measures to develop cooperation between teams.

### HIGHLIGHTS FROM PERSONNEL SURVEY – WORKING TOGETHER, OPEN COMMUNICATION, AND MAINTENANCE OF PERSONNEL

#### WELLBEING AS THE CORNERSTONES OF TESI

- The response rate in the personnel survey was excellent, 96%.
- The Employee Net Promoter Score (eNPS) was 55, which is an excellent result (on a scale of -100–100).
- Tesi employees regarded the joint development of operations, open communication, and maintenance of wellbeing as important everyday resources.
- Employees' experience of supervisory work had improved, reaching a very good level. 96%

of Tesi employees felt that their supervisor trusts them.

- Altogether 81% of Tesi employees (78% in 2022) felt that they cope fairly well or very well at work, and 98% of Tesi employees felt that Tesi invests in taking care of the wellbeing of personnel.
- Tesi employees are still united by their experience of responsible and impactful business activities. The practices of hybrid working – combining remote work and in-office work – are at an excellent level and, as in previous years, employees' awareness and implementation of Tesi's values are improving.

We want to be a safe and equal-opportunity workplace where discrimination, bullying and harassment are not accepted.

Our HR department and our occupational safety & health committee are responsible for promoting wellbeing at work. We support and regularly monitor both wellbeing at work and coping at work in many different ways. All our personnel are covered by an occupational health service. Our sick leave rate was 1.3%. We factor our employees' differing life situations into a flexible personnel policy.

We conduct personal development interviews (PDIs) with all personnel twice a year and a personal development plan is prepared for each employee as part of the PDI process. Through the discussions, we want to ensure that every Tesi employee has a clear understanding of the importance of their own work and of how their own work can help to achieve Tesi's common goals.

We encourage our personnel to participate in life-long learning and to develop their professional skills. A priority for development in our own activities in 2024 was enhancing good governance skills and knowhow. Read more about training events on page [38](#).

Our remuneration policy covers all our personnel. Read more about our [Remuneration Report 2024](#).

## TOGETHER TOWARDS A MORE DIVERSE TOMORROW

When recruiting, we pay attention to the diverse backgrounds and strengths of applicants because we believe that diversity of background and experience expand perspectives in teams and create new solutions.

Venture capital and private equity investors play a crucial role in selecting the companies that receive more resources for growth and the technologies that

are developed. For this reason, enhancing our diversity and inclusion is an important goal for us, and an aspect to be monitored in both our own and our investees' organisations.

In 2024, we promoted the improvement of diversity in the investment industry by conducting research and by collaborating in communications and events with, *inter alia*, Inklusiv, the Finnish Venture Capital Association, the Level 20 community, European Women in VC, and Female Foundry. More information about our partnerships can be found [here](#).

We also want to ensure on our part that our portfolio funds and companies operate responsibly. Tesi has had a Whistleblowing channel in use since 2020. Our Whistleblowing channel offers our portfolio companies and portfolio funds, our employees and our other partners a confidential means of initiating investigation of any suspected misconduct or unethical activities.

**“ When recruiting, we pay attention to the diverse backgrounds and strengths of applicants because we believe that diversity of background and experience expand perspectives in teams and create new solutions.**

## Personnel in figures

|                                     | 2024 | 2023 | 2022 |
|-------------------------------------|------|------|------|
| No. of personnel at 31 Dec 2024*    | 63   | 59   | 48   |
| Permanent                           | 59   | 54   | 44   |
| Fixed                               | 4    | 5    | 4    |
| Women                               | 23   | 23   | 16   |
| Men                                 | 40   | 36   | 32   |
| Women in personnel                  | 37%  | 39%  | 33%  |
| Women in the Management team        | 56%  | 38%  | 29%  |
| Women in Investments teams          | 21%  | 16%  | 16%  |
| Average age                         | 41   | 38   | 40   |
| Avarage age in the Management team  | 41   | 47   | 49   |
| Average age in Investment teams     | 42   | 39   | 40   |
| Education of personnel              |      |      |      |
| Higher education degree             | 78%  | 78%  | 90%  |
| Personnel turnover**                | 3%   | 5%   | 4%   |
| Employees left (permanent)          | 2    | 3    | 2    |
| New employees                       | 5    | 10   | 4    |
| Sickness absence per 7,5 hours      | 1%   | 1%   | 2%   |
| Accidents                           | 0    | 0    | 1    |
| Average training days per person    | 1,6  | 2,4  | 3,6  |
| Average length of employment, years | 5,7  | 6    | 5,9  |
| Trainees during the year            | 9    | 9    | 8    |
| Female trainees                     | 67%  | 44%  | 25%  |
| Average age of trainees             | 26   | 25   | 26   |

\* Trainees included

\*\* Those left during the year / number of personnel per 31 December x 100



## CASE

# Tesi's trainee programme – new professionals for the market, fresh insights for Tesi

In cooperation with other market players, Tesi aims to build Europe's strongest and most competitive startup and growth company ecosystem in Finland by investing in venture capital and private equity funds and directly in companies, and by sharing market insights. The trainees who work at Tesi almost all year round play a key role in this.

In Tesi's Trainee Programme, late-stage university students and recent graduates are given the opportunity to become familiar with investment activities under the guidance of experienced professionals and to show their abilities in the diverse field of corporate and venture capital and private equity funds.

"The goal of our Trainee programme is to introduce

new professionals into the investment industry. We make sure that trainees are fully involved from day one –for example, in the activities of investment teams, and in preparing and presenting investment decisions to both the management team and our Board of Directors. Building international networks also starts here with us," says **Pia Santavirta**, Tesi's CEO.

Direct investment and fund investment teams recruit trainees twice a year. The traineeships, which last about six months, take place in the spring and autumn. Other teams, meanwhile, induct trainees as needed. Tesi employs trainees almost all year round, except for the summer holiday season.

# Corporate governance – reliability and risk management

The Corporate Governance section addresses:

- The quality of the company's management bodies (Board of Directors, Management Team)
- Strategy management, values and culture
- Corporate governance
- Internal processes
- Instructions
- Controls
- Monitoring of the regulatory environment and legal compliance
- Information and cybersecurity
- Risk management
- Identification and awareness of opportunities
- The company's activities in relation to its main stakeholders

As a VC & PE investor, we have a very comprehensive overview of fund managers and Finnish companies. We share our own best practices as well as the good practices we observe in the market for the benefit of not only our own portfolio companies but also

for the good of all Finland's investment market. The importance of good governance and risk management is emphasised by the nature of our business and our role as a state-owned company. We comply in all applicable respects with the Corporate Governance Code of Finland's Securities Market Association, and we publish a Corporate Governance Statement as a section of our Annual Report. Tesi's Code of Conduct contains our main operating principles and instructions. We also support our investees in developing good corporate governance and risk management.

## COMPLIANCE

Tesi's operations are regulated by i) a separate Act of Parliament and government decree, ii) targeted recapitalisations as decided by the Finnish Parliament, iii) circulars issued each year by Finland's Ministry of Economic Affairs and Employment, and iv) government resolutions issued by the Ownership Steering Department of the Prime Minister's Office. We comply

with applicable legislation, and we follow the guidance and policy decisions of our state owner. We also follow good corporate governance principles and conform to international norms and agreements – for instance, on employee rights and the environment – and we require the same from our investees. Compliance with applicable legislation is ensured mainly in two ways: i) personnel are informed of pertinent laws and amendments to them by providing more detailed internal instructions on the subject, as required; ii) each new direct investment is subject to a legal due diligence review.

A compliance report is submitted to the Board of Directors every six months. It contains monitoring of decision-making, a review of legislative initiatives of importance to Tesi, and reporting on compliance risks and data protection anomalies. A whistleblowing channel has been in place since 2020 for reporting any suspected misconduct or non-compliant behaviour.

More information on, for example, internal auditing,

risk management and related party transactions can be found in Tesi's [Corporate Governance Statement](#).

## DEVELOPMENT OF GOOD GOVERNANCE DURING 2024

Tesi's legal team organised extensive training sessions for personnel during 2024. These have covered issues such as data protection, competition law, impartiality, prevention of conflicts of interest, and anti-bribery procedures. The purpose of the training is to deepen Tesi personnel's understanding of the Code of Conduct's binding rules and to reduce any ambiguities related to them.

Additionally, we gathered information about legislation pertinent to the sector, and amendments to it, and regularly distributed the received information to our personnel through trainings, fact sheets or info videos.

# Reporting principles

The period for reporting responsibility covers fiscal year 2024. The report covers Tesi's own operations, within the limits set by the company as a legal entity, including its subsidiaries (Tesi Fund Management Oy, Tesi Industrial Management Oy, FEFSI Management Oy and EAKR-Aloitusrakasto Oy).

Tesi's subsidiary Tesi Industrial Management Oy has a majority holding (66.4%) in the capital stock of Aker Arctic Technology Inc. (Aker Arctic). Aker Arctic's data is not included in Tesi's responsibility figures.

We prepare a Responsibility Report annually as a section of the Business Overview of the Annual Report. The Annual Report comprises four sections: the Business Overview; the Financial Review (which includes the Board of Directors' Report and the financial statements); the Corporate Governance Statement; and the Remuneration Report. The Board of Directors approves the Responsibility Report. We have pub-

lished Responsibility Reports since 2011.

Our reporting is guided by the Government Resolution (23 May 2024) on corporate responsibility in the Finnish government's ownership steering policy. We also utilise the GRI standard's reporting framework in our reporting. The report is not verified, but the economic performance indicators presented in it are derived from audited information. For further information about the report, please contact Saara Vettentranta, Communications Manager ([saara.vettentranta@tesi.fi](mailto:saara.vettentranta@tesi.fi)).

We prepare a Responsibility Report annually as a section of the Business Overview of the Annual Report.

**” We prepare a Responsibility Report annually as a section of the Business Overview of the Annual Report.**



# GRI-sisältöindeksi

|                  |   |
|------------------|---|
| Statement of use | Tesi has reported the information cited in this GRI content index for the fiscal year 2024 with reference to the GRI Standards. |
| GRI 1 used       | GRI 1: Foundation 2021  |

| GRI STANDARD                    | DISCLOSURE   | LOCATION                                       | ADDITIONAL INFORMATION               |
|---------------------------------|--|--|--------------------------------------|
| GRI 2: General Disclosures 2021 | 2-1 Organizational details   | Business overview, pp. 2, 6                    |                                      |
|                                 | 2-2 Entities included in the organization's sustainability reporting             | Business overview, p. 40                       |                                      |
|                                 | 2-3 Reporting period, frequency and contact point                                | Business overview, p. 40                       |                                      |
|                                 | 2-4 Restatements of information  | GRI content index                              | No significant changes in reporting. |
|                                 | 2-5 External assurance   | Business overview, p. 40                       |                                      |
|                                 | 2-6 Activities, value chain and other business relationships                     | Business overview, pp. 9-19                    |                                      |
|                                 | 2-7 Employees  | Business overview, pp. 6, 36-37                |                                      |
|                                 | 2-9 Governance structure and composition   | Corporate governance statement, pp. 6-9        |                                      |
|                                 | 2-10 Nomination and selection of the highest governance body                     | Corporate governance statement, p. 7           |                                      |
|                                 | 2-11 Chair of the highest governance body  | Corporate governance statement, p. 8           |                                      |
|                                 | 2-12 Role of the highest governance body in overseeing the management of impacts | Business overview, p. 26                       |                                      |
|                                 | 2-14 Role of the highest governance body in sustainability reporting             | Business overview, pp. 26, 40                  |                                      |
|                                 | 2-15 Conflicts of interest   | Corporate governance statement, pp. 7-9, 11-13 |                                      |
|                                 | 2-16 Communication of critical concerns  | Business overview, p. 11                       |                                      |
|                                 | 2-18 Evaluation of the performance of the highest governance body                | Corporate governance statement, p. 7           |                                      |
|                                 | 2-19 Remuneration policies   | Remuneration report, pp. 5-6                   |                                      |
|                                 | 2-20 Process to determine remuneration   | Remuneration report, pp. 5-6                   |                                      |
|                                 | 2-21 Annual total compensation ratio   | Remuneration report, pp. 5-6                   |                                      |
|                                 | 2-22 Statement on sustainable development strategy                               | Business overview, p. 26-27                    |                                      |
|                                 | 2-23 Policy commitments  | Business overview, p. 26-27                    |                                      |
|                                 | 2-27 Compliance with laws and regulations  | Business overview, p. 39                       |                                      |

|   |   |   |  |
|---|---|---|--|
|   | 2-28 Membership associations  | Business overview, pp. 17-18              |  |
|   | 2-29 Approach to stakeholder engagement   | Business overview, p. 15                  |  |
|   | 2-30 Collective bargaining agreements   | GRI content index                         | All of Tesi's personnel are covered by a collective labour agreement, as applicable. |
| GRI 3:<br>Material Topics 2021                | 3-1 Process to determine material topics  | Business overview, pp. 29-30              |  |
|   | 3-2 List of material topics   | Business overview, pp. 29-30              |  |
|   | 3-3 Management of material topics   | Business overview, pp. 29-30              |  |
| GRI 201:<br>Economic<br>Performance 2016      | 201-1 Direct economic value generated and distributed                                 | Business overview, pp. 12-14, 31          |  |
|   | 201-3 Defined benefit plan obligations and other retirement plans                     | GRI content index                         | Statutory pension scheme, Tesi does not offer supplementary pension schemes.         |
|   | 201-4 Financial assistance received from government                                   | Business overview, p. 31                  |  |
| GRI 203:<br>Indirect Economic Impacts<br>2016 | 203-2 Significant indirect economic impacts   | GRI content index                         | Will be reported in Tesi's impact review H2/2025.                                    |
| GRI 205:<br>Anti-corruption 2016              | 205-1 Operations assessed for risks related to corruption                             | Corporate governance statement, pp. 13-15 |  |
|   | 205-2 Communication and training about anti-corruption policies and procedures        | Business overview, p. 39                  |  |
|   | 205-3 Confirmed incidents of corruption and actions taken                             | GRI content index                         | No cases in 2024.  |
| GRI 206:<br>Anti-competitive Behavior<br>2016 | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | GRI content index                         | No cases in 2024.  |
| GRI 207:<br>Tax 2019                          | 207-1 Approach to tax   | Business overview, p. 32                  |  |
|   | 207-2 Tax governance, control, and risk management                                    | Business overview, p. 32                  |  |
|   | 207-3 Stakeholder engagement and management of concerns related to tax                | Business overview, p. 32                  |  |
|   | 207-4 Country-by-country reporting  | Business overview, p. 32                  |  |
| GRI 305:<br>Emissions 2016                    | 305-1 Direct (Scope 1) GHG emissions  | Business overview, p. 34                  |  |
|   | 305-2 Energy indirect (Scope 2) GHG emissions   | Business overview, p. 34                  |  |
|   | 305-3 Other indirect (Scope 3) GHG emissions  | GRI content index                         | Will be reported in Tesi's impact review H2/2025.                                    |
|   | 305-5 Reduction of GHG emissions  | Business overview, p. 33                  |  |

|  |  |                              |   |
|--|--|------------------------------|---|
| GRI 401:<br>Employment 2016                      | 401-1 New employee hires and employee turnover   | Business overview, p. 37     |   |
|  | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | Remuneration report, pp. 5-6 |   |
|  | 401-3 Parental leave   | GRI content index            | Parents are paid full salary for 72 working days. |
| GRI 403:<br>Occupational Health and Safety 2018  | 403-1 Occupational health and safety management system   | Business overview, pp. 36-37 |   |
|  | 403-2 Hazard identification, risk assessment, and incident investigation                                 | Business overview, pp. 36-37 |   |
|  | 403-3 Occupational health services   | Business overview, pp. 36-37 |   |
|  | 403-6 Promotion of worker health   | Business overview, pp. 36-37 |   |
|  | 403-9 Work-related injuries  | Business overview, p. 37     |   |
| GRI 404:<br>Training and Education 2016          | 404-1 Average hours of training per year per employee  | Business overview, p. 37     |   |
|  | 404-2 Programs for upgrading employee skills and transition assistance programs                          | Business overview, pp. 36-37 |   |
|  | 404-3 Percentage of employees receiving regular performance and career development reviews               | Business overview, pp. 36-37 |   |
| GRI 405:<br>Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees   | Business overview, p. 37     |   |
| GRI 406:<br>Non-discrimination 2016              | 406-1 Incidents of discrimination and corrective actions taken   | GRI content index            | No cases in 2024.                                 |

# Tesi

[Reports](#)

[tesi.fi](#) | [X \(Twitter\)](#) | [LinkedIn](#) | [Instagram](#) | [Bluesky](#) | [Threads](#) | [YouTube](#) | [Newsletter](#)