



# Sweden Tech Ecosystem: Report 2021

February 2022



### **Global startup and venture capital intelligence platform**

Dealroom.co is the foremost data provider on startup, early-stage and growth company ecosystems in Europe and around the globe.

Founded in Amsterdam in 2013, we now work with many of the world's most prominent investors, entrepreneurs and government organizations to provide transparency, analysis and insights on venture capital activity.



### **Business Sweden helps Swedish companies grow global sales and international companies invest and expand in Sweden**

Business Sweden is commissioned by the Government and the Swedish industry with a unique mandate and a mission to help international companies gain access to the Swedish market and help domestic ones utilize it as a platform for expansion. Their clients range from startups via small- and medium-sized businesses to multinational enterprises – with tailor-made services catering to all of these segments.



### **Public agency that promotes interest and trust in Sweden around the world**

The Swedish Institute operates in the fields of culture, education, science and business in seeking to strengthen international relations ties, and promote development. The agency builds up lasting relations between Sweden and other countries to enhance Sweden's nation brand and international relevance. To this end, the Swedish Institute disseminates information, develops skills, promotes cultural exchange and cooperation, and provides funding and grants.



### **Swedish Agency for Economic and Regional Growth**

The Swedish Agency for Economic and Regional Growth (Tillväxtverket), is a government agency under the Ministry of Enterprise and Innovation, tasked to promote sustainable business development and regional growth in all parts of Sweden. Tillväxtverket supports companies and regions by offering knowledge, networks for collaboration and financing.



### **Entrepreneur-centred support for promising founders with grand ambitions**

Startup Sweden helps Sweden's most promising tech startups with knowledge, network and tools to succeed. It is a program initiated by, and run within, the Swedish Agency for Economic and Regional Growth (Tillväxtverket). Startup Sweden provides entrepreneur-centred support from the earliest stages to scaleups by running national and international accelerator programs.



### **Sweden's Innovation Agency, building Swedish innovation capacity for sustainable growth and for the benefits of society**

Vinnova is a Swedish government agency working under the Ministry of Enterprise, Energy and Communications and acts as the national contact agency for the EU Framework Programme for R&D. Vinnova makes it possible for organisations to address challenges together, by enabling innovation that makes a difference. Vinnova does this by giving financial aid to companies for research, development and legal costs.

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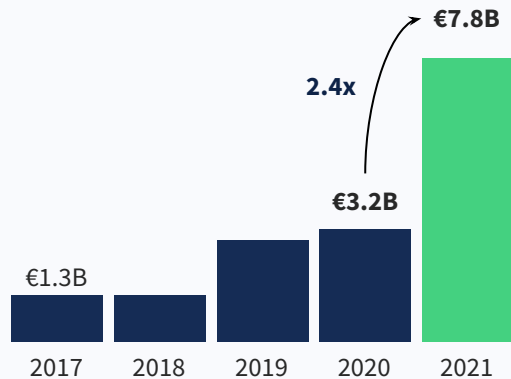


# Key takeaways.

## 2021 was a record year for Sweden's tech ecosystem

Swedish startups raised a record €7.8B in 2021, up 2.4x on 2020 levels. This growth has been driven by late-stage funding rounds, which accounted for 70% of all funding.

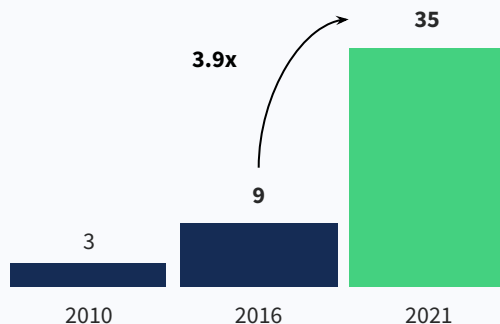
### VC investment into Swedish startups



## Sweden is one of Europe's key innovation hubs

Home to IKEA, Ericsson, H&M, Volvo, and many more, Sweden has produced some of the world's most recognized companies. Beyond the old glories, Sweden is a fertile breeding ground for new tech unicorns. To date, Sweden has produced 35 unicorns, up from 9 just five years earlier - a 3.9x increase.

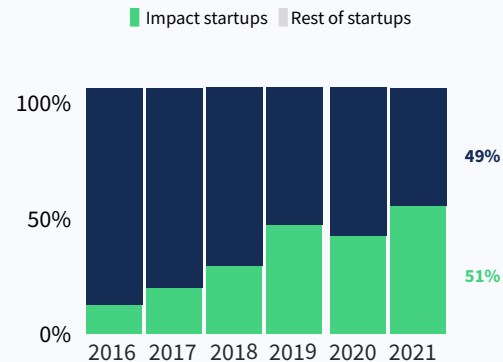
### Number of Sweden-born unicorns



## Sweden leads Europe's growth in impact-focused startup innovation

In 2021, Swedish impact startups raised over half of the country's venture capital funding. On the European level, Sweden leads by venture capital invested in impact startups.

### Impact investing as a percentage of total VC investment

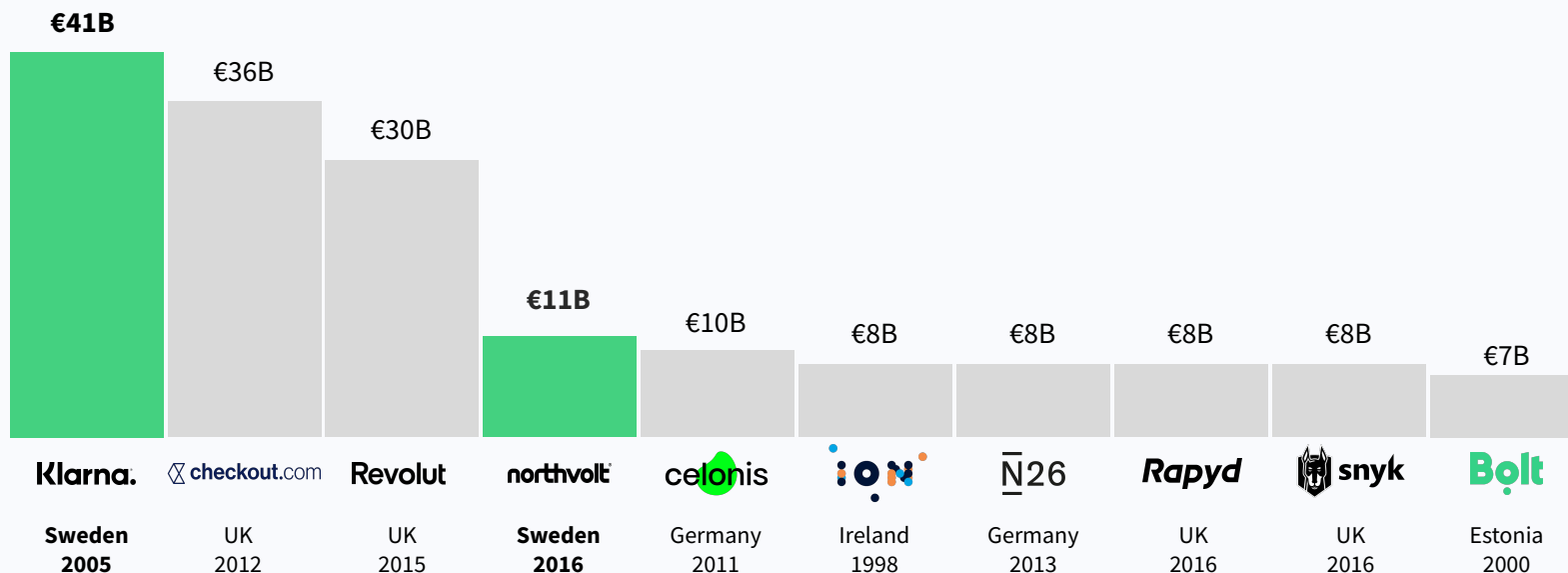


# The startup landscape



# Sweden is one of Europe's leading innovation hubs and home to Europe's most valuable private startup, Klarna.

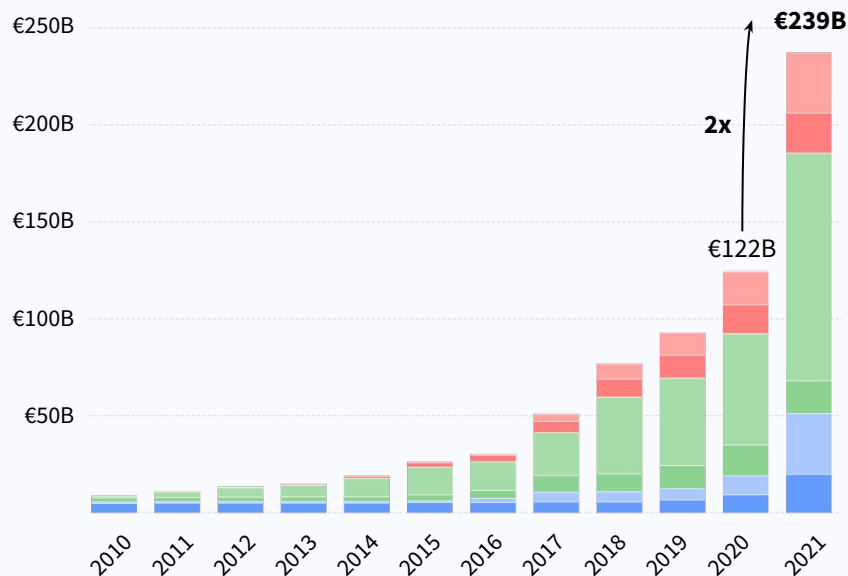
Top 10 VC-backed \$1B+ private European companies founded after 1990



# The value of Sweden's startup ecosystem has nearly doubled in just a year, now valued at €239B.

Combined enterprise value<sup>(1)</sup> of companies HQ'd in Sweden [» view online](#)

2015-now 2010-2014 2005-2009 2000-2004  
1995-1999 1990-1994

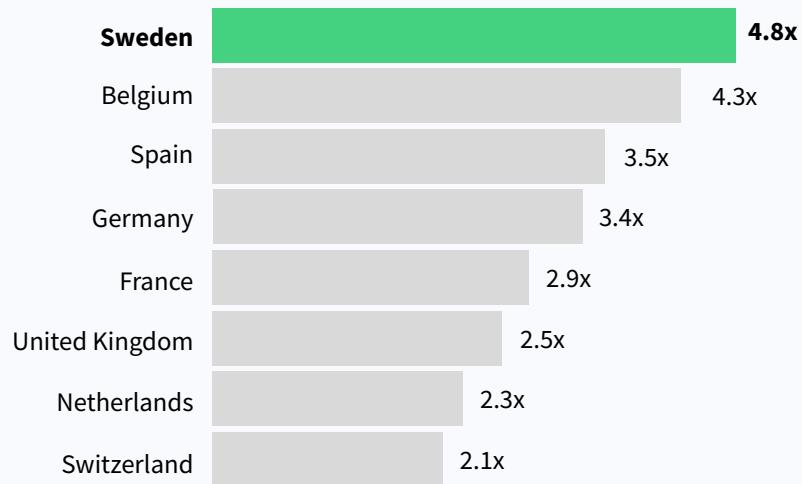


See the most valuable companies: [» view online](#)

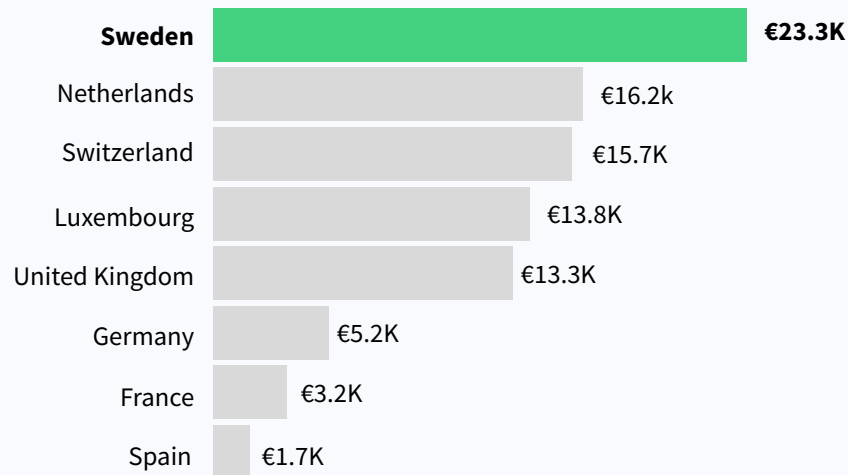
NAME	GROWTH SIGNAL (12 months growth)	LAUNCH DATE	IF VALUATION	FUNDING	LOCATION
Spotify ★ ★ Music streaming service	9,994	Apr 2006	€47.2b	€1.4b	Stockholm
Klarna ★ ★ Payment solutions for online store...	5,952	Feb 2005	€41.5b	€3.1b	Stockholm
Polestar ★ ★ We are an electric performance car...	1,587	1996	€18.2b	€682m	Göteborg
Oatly ★ ★ Turning oats rich in fiber into a dri...	1,116	Jan 1990	€11.8b	€182m	Malmö
Northvolt ★ ★ Lithium-ion batteries manufacturer	2,028	2016	€10.7b	€4.0b	Stockholm
Sinch ★ Leading provider of enterprise clo...	1,787	2008	€8.8b	€10.9m	Rimbo
Hexagon AB Leading global provider of informa...	1,251	1992	€5.0b	N/A	Stockholm

# Sweden has seen the fastest growth in enterprise value in Europe in both absolute and per capita terms.

Growth in enterprise value YTD vs 2017

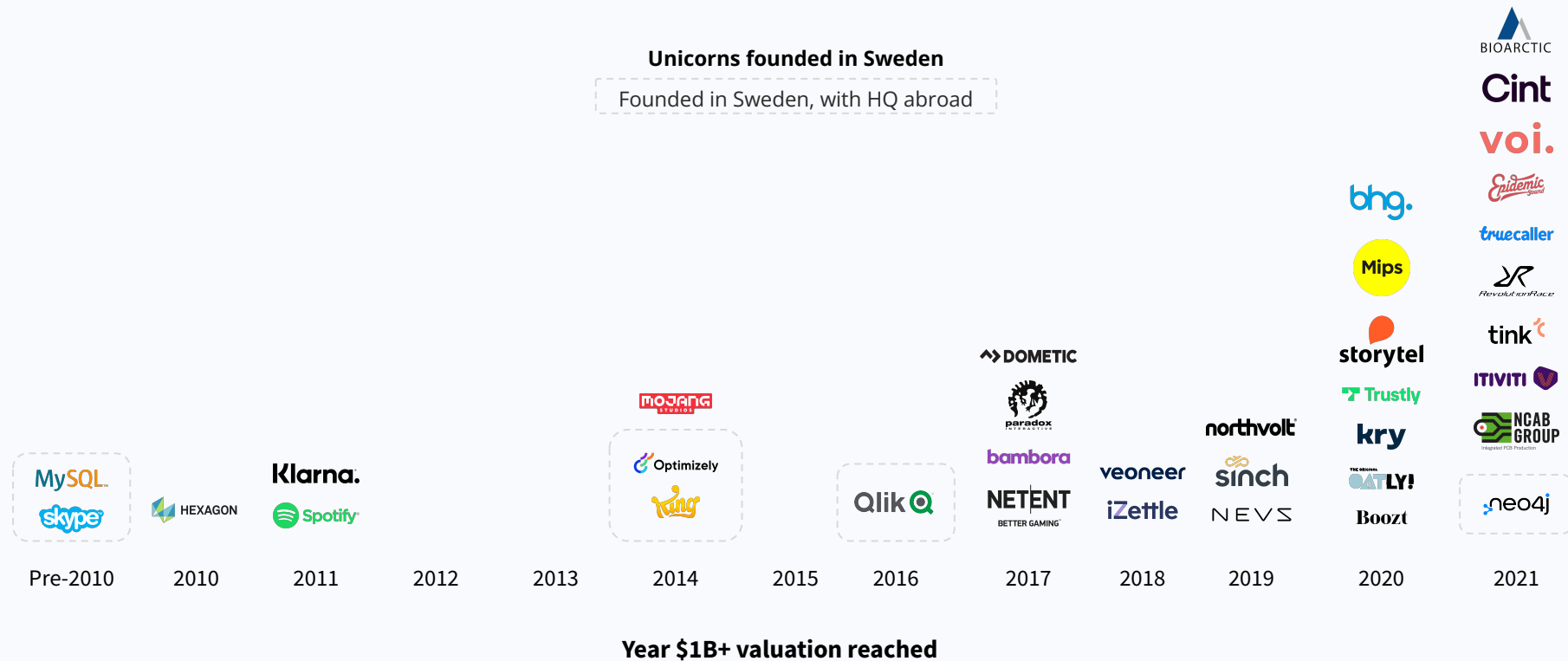


Enterprise value per capita by European hub



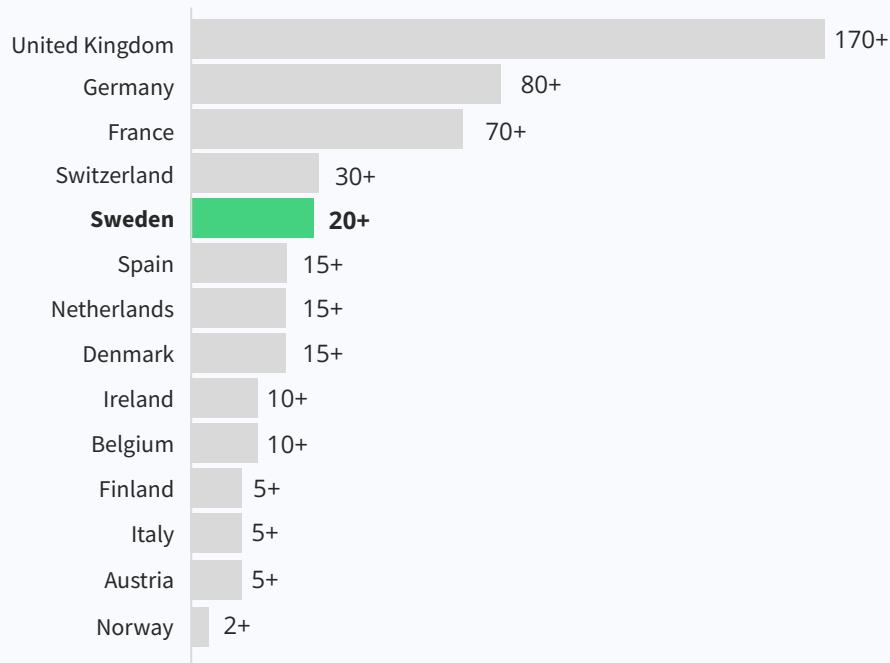


# 35 unicorns and \$1B+ exits have been created in Sweden to date, up from just 9 in 2016.



# Sweden is a vibrant startup ecosystem, with the 5th largest pool of potential future unicorns in Europe.

## Future unicorns by country



## Discover Sweden's future unicorns » [view online](#)

NAME	GROWTH SIGNAL 12 months growth	LAUNCH DATE	VALUATION	FUNDING
<b>Instabox</b> ★ Instabox is a parcel delivery servic...	374	Jan 2015	€770m	€137m
<b>Exeger Sweden</b> ★ A Swedish deep tech company ins...	163	Sep 2009	€708m	€40.5m
<b>Quinyx</b> ★ Develops planning and forecasting...	281	2005	€500m	€94m
<b>Synchron</b> ★ Cloud-based service parts invento...	520	1999	€426–609m	€60.9m
<b>Einride</b> ★ A technology company that develo...	298	2016	€400–600m	€138m
<b>H2 Green Steel</b> ✖ Large-scale steel producer based o...	69	2020	€382–573m	€95.5m
<b>Nick's</b> ★ A food tech company that made...	67	2012	€304–€46m	€20.0m

# Sweden's early tech success is fuelling the next generation of startup founders.

## Swedish startup founder factories

Spotify	Klarna	iZettle
Doctrin	P.F.C	Coly
Kattis	Anyfin	DPOrganizer
Amuse	Steven	Solandia
Wrapp	MAJORITY	
KSTING	Brite	
Soundtrack Your Brand		

“A critical mass of global success stories and role models has resulted in a new generation of startups largely built by ‘graduates’ of these companies.”

“More role models such as business angels with operational experience. Perception has really changed, now entrepreneurs are perceived as heroes here.”

**Jessica Schultz**  
Partner, Northzone



# Collaboration is key for a thriving ecosystem.



**Tonje Ørnholt**  
Growth & Funding Manager



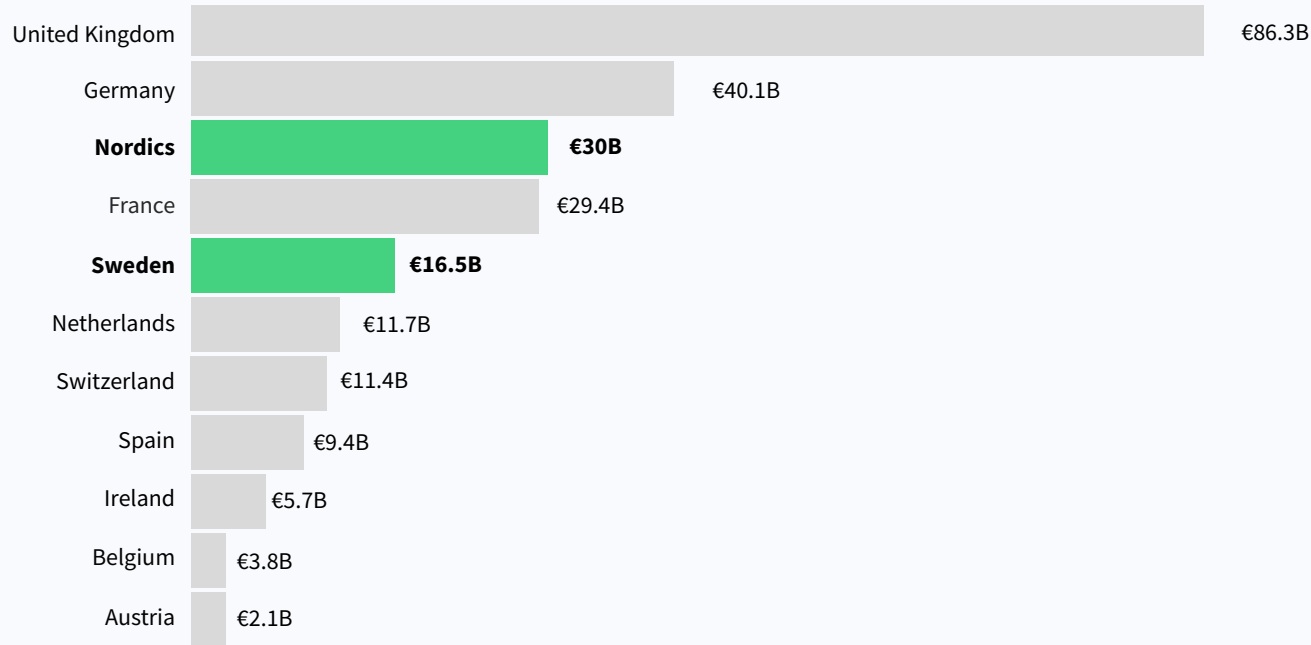
**“We believe in close partnership across the Nordic borders to work on challenges and opportunities we have in common.”**

“Collaboration is the key to putting the Nordics on the international startup scene. Through networks, discussion arenas, events, and Dealroom reports, we collaborate to track the development in the Nordics and to share insight and opportunities to the international market. Leading the way in the world with sustainability, diversity and impact as the core of future businesses, thus the interest in the Nordics is increasing at a rapid speed.”

[Read the full interview](#)

# Sweden forms the core of the Nordics tech ecosystem, which is among the top European hubs by venture capital.

VC investment by tech hub 2017-2021





# Sweden, an innovation powerhouse.

## Sweden has long championed innovation and entrepreneurship.

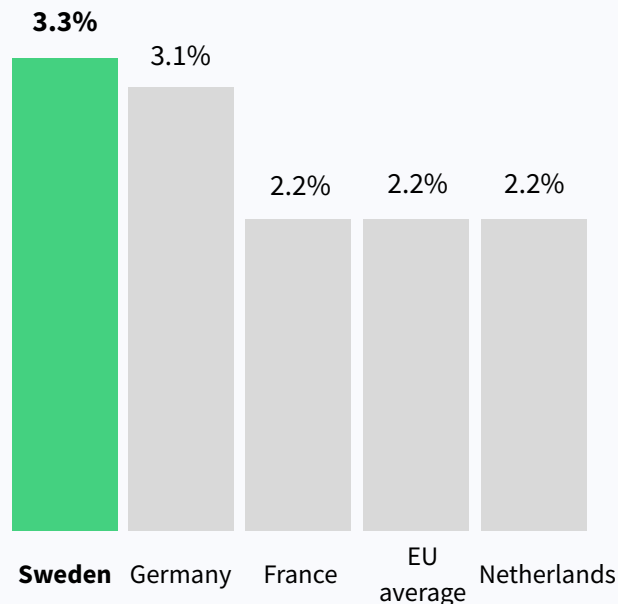
The country's startup ecosystem is backed by public funds and investments targeting startups as well as macro initiatives to create opportunities for innovators to flourish. Several government agencies offer financial support or act as LPs to seed investors, making it possible for entrepreneurs in early stage to access funds.

## On a macro level, Sweden has a generous social welfare system.

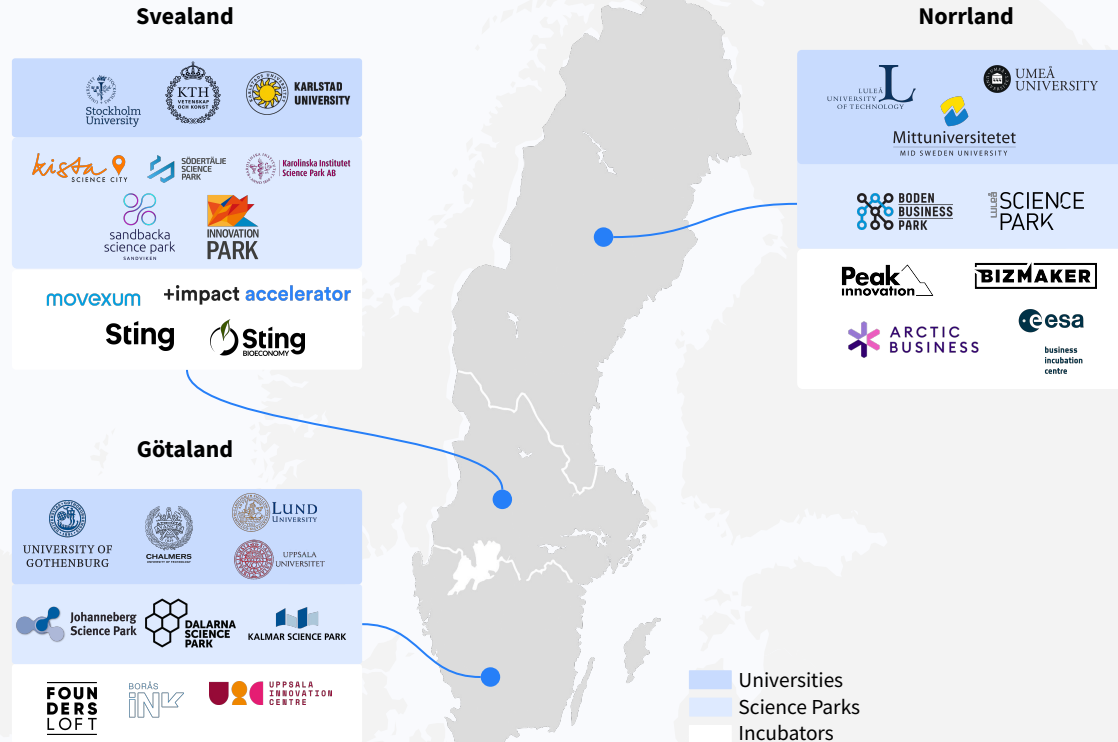
This includes national access to free education, creating a large pool of talent who both start their own companies and work within fast-growing startups. The government has also been active with pushing early access to new technology, including the "Home PC reform" of the late 1990s, through which 1 million Swedes were provided with their first computer and internet access.

The country invests more than 3% of its GDP in R&D, 0.8% of which is invested by public funding - one the highest rates worldwide.

R&D expenditure as % of GDP in 2018



# Sweden is littered with research and innovation hubs across the country.

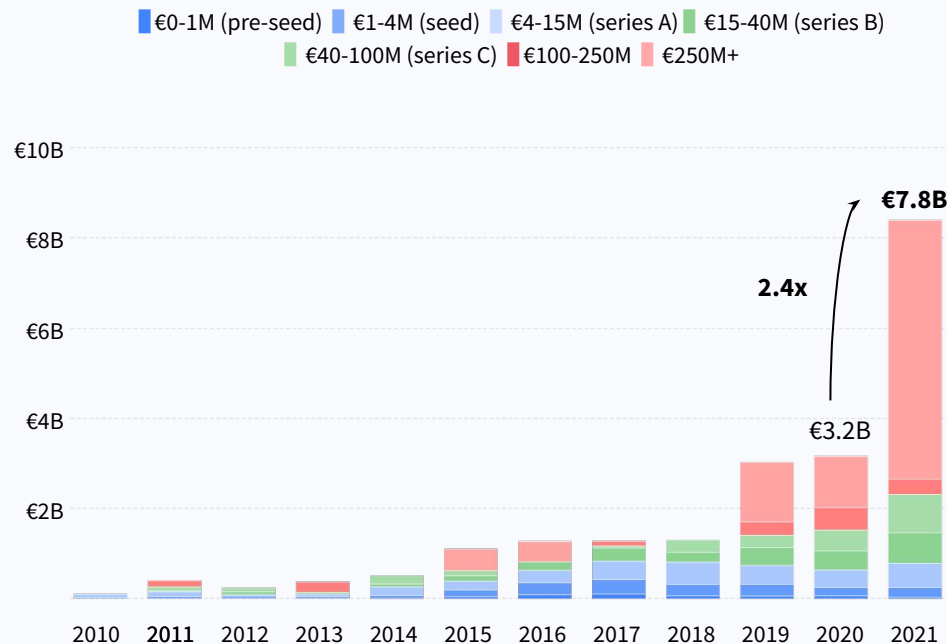


# Venture capital and investment trends



# VC investment in Swedish startups has more than doubled in the last year alone, hitting €7.8B in 2021.

## VC investment into Swedish startups

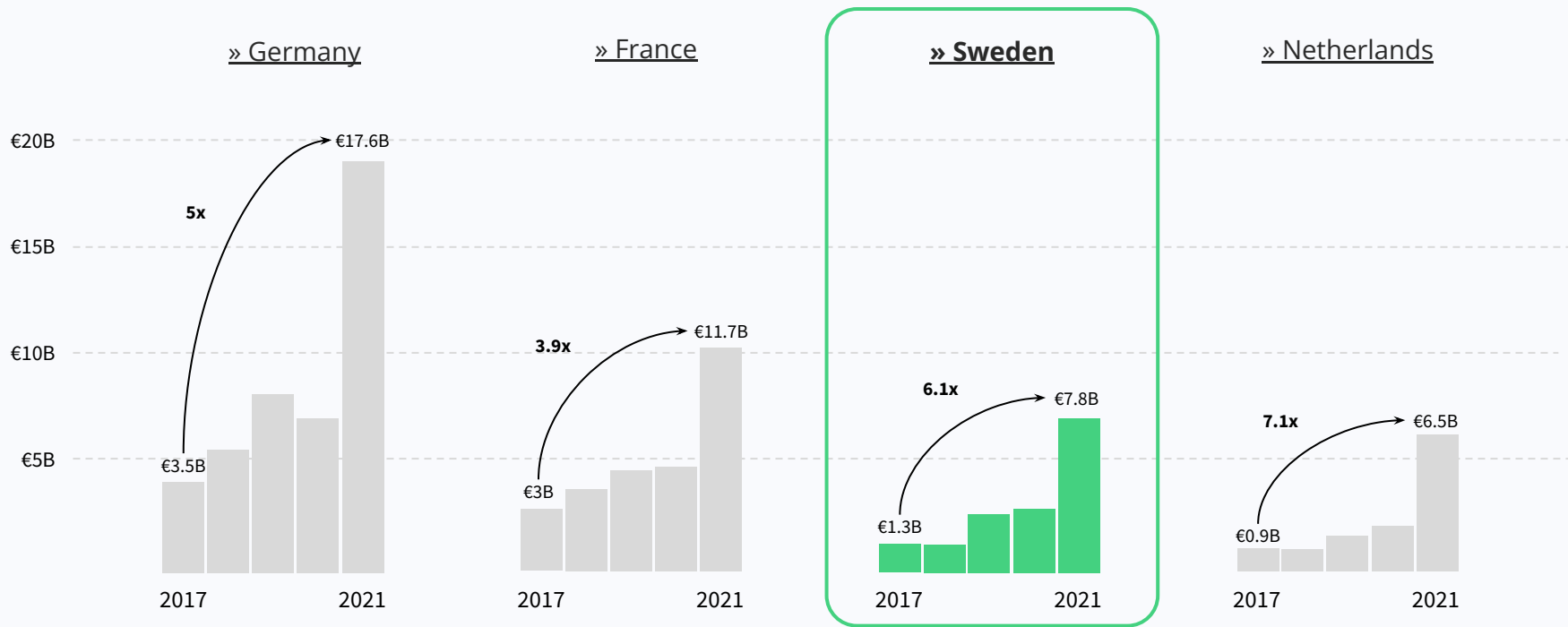


## Top rounds in 2021 » [view online](#)

NAME	INVESTORS	MARKET	LOCATION	VALUATION	LAST ROUND
<b>Northvolt</b> Lithium-ion batteries manufacturer	Goldman Sachs Baillie Gifford EIT InnoEnergy Norrsken VC Fjärde Ap-Fonden (Ap4)	energy transportation clean energy energy storage	Stockholm, Sweden	€10.7b	\$2.8b GROWTH EQUITY
<b>Klarna</b> Payment solutions for online store...	Atomico Northzone Permira Silver Lake Partners Technology Crossover Ventures	fintech payments	Stockholm, Sweden	€41.5b	\$1.0b GROWTH EQUITY
<b>Klarna</b> Payment solutions for online store...	Silver Lake Partners Sequoia Capital Dragoneer Investment Group Ant Group Softbank an ungroup	fintech payments	Stockholm, Sweden	€41.5b	\$639m GROWTH EQUITY
<b>Polestar</b> We are an electric performance ca...	Chongxing Chengxing Equity Investment Fund Partnership Zibo Financial Holding Zibo Hightech	transportation vehicle production	Gothenburg, Sweden	€18.2b	\$500m GROWTH EQUITY
<b>Epidemic Sound</b> A global MusicTech company that i...	Blackstone EQT Group	music	Stockholm, Sweden	€1.3b	\$450m GROWTH EQUITY
<b>Kry</b> Consult a doctor online	Accel Crusarium Index Ventures Project A Fidelity	health health platform	Stockholm, Sweden	€1.8b	\$312m SERIES D
<b>Storytel</b> Providing audiobook subscription...	EQT Group	media social media	Stockholm, Sweden	€1.0b	€138m GROWTH EQUITY

# Sweden is amongst the fastest growing European hubs by VC funding.

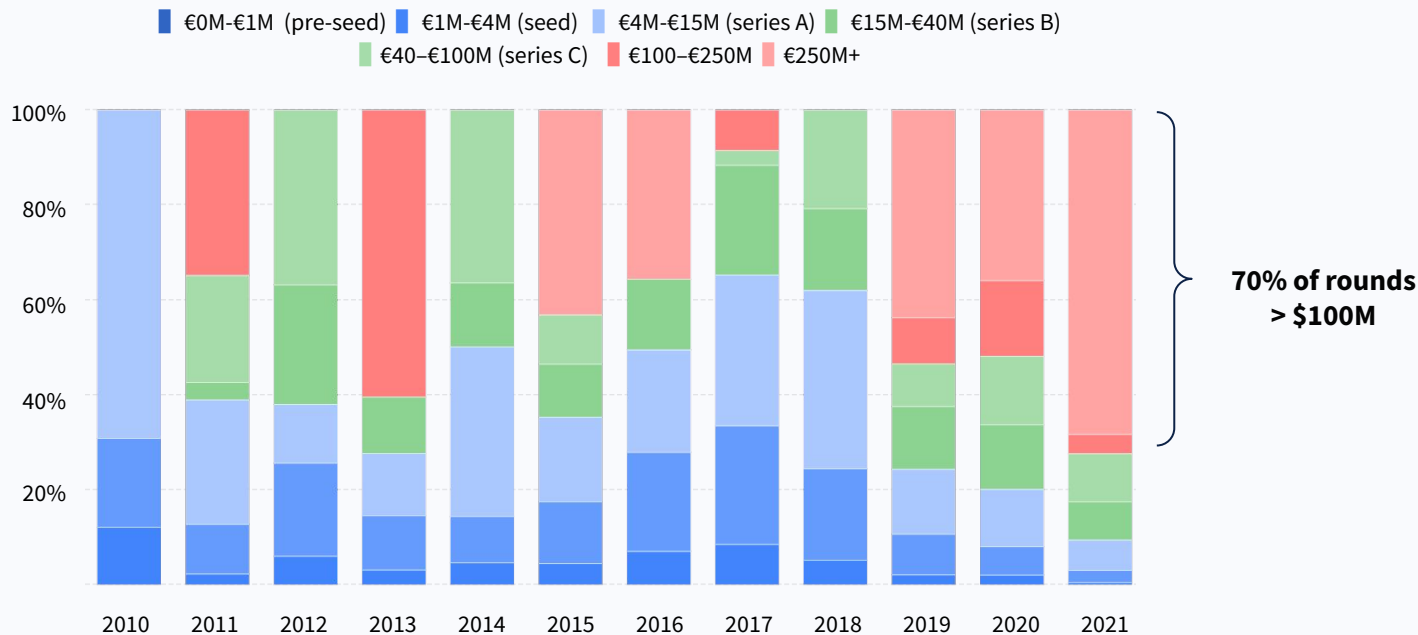
## VC investment by European Hub





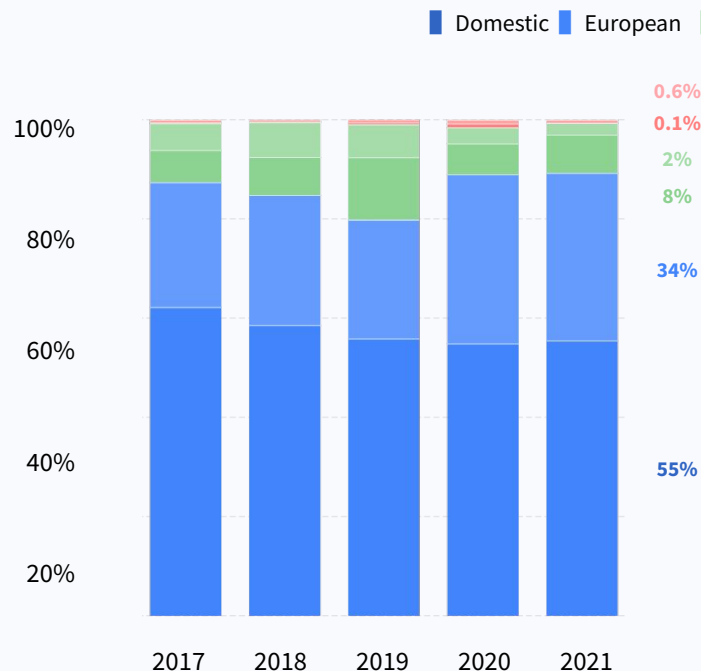
# Rounds above €100M dominate the Swedish VC landscape, counting for 70% of all investment in 2021.

## VC investment in Swedish startups » [view online](#)

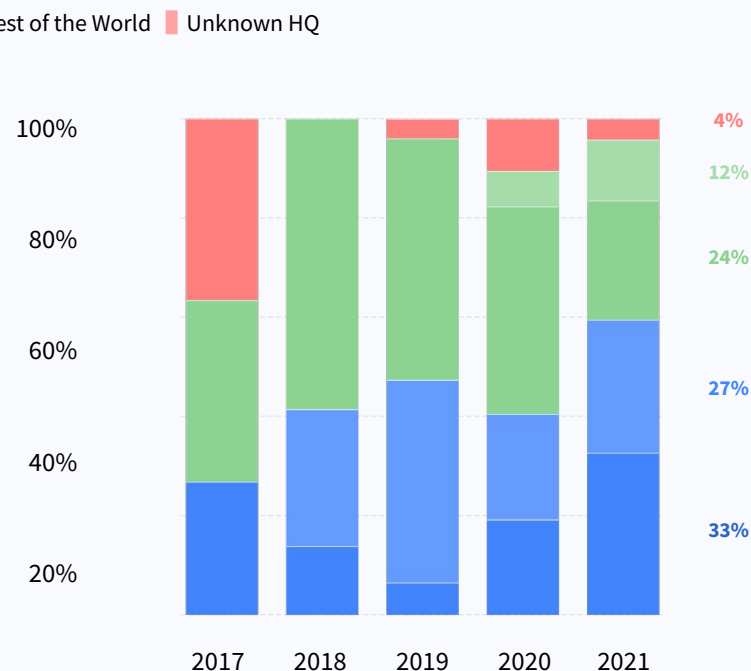


# Sweden is attracting significant levels of international investor interest, 45% of early-stage and 67% of late-stage funding came from abroad.

























VC investment by investor source, rounds up to \$15M



VC investment by investor source, rounds up above \$40M

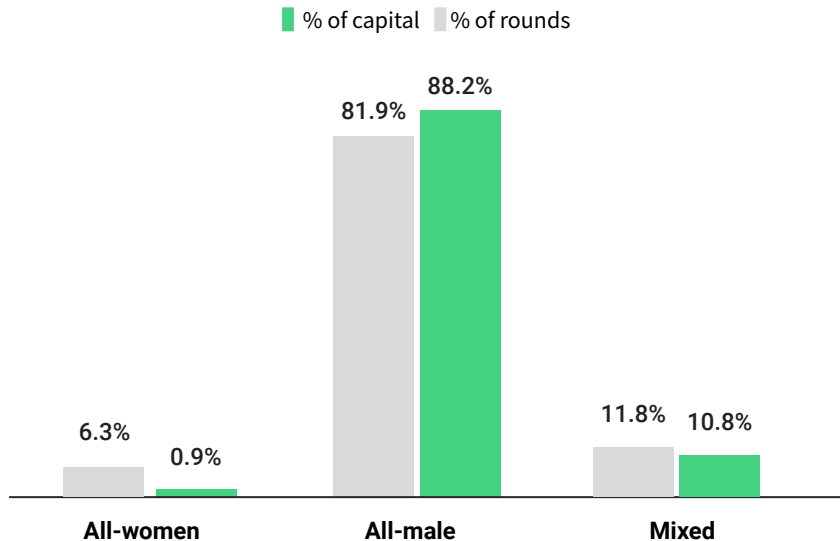


# +130 local investors are driving the early-stage VC in Sweden.

Name	Founded year	Preferred round	Last fund	Selected investments
	2015	Early Stage	€660M Nov 2019	 einride  Sana 
<b>CREANDUM</b>	2003	Seed/ Series A	€265M Jun 2019	 FirstVet  voi.  kry
HealthCap	1996	Early / Late stage	€190M Sep 2019	 MODUS THERAPEUTICS  ELSA  Doctrin
<norrskén>	2016	Seed / Early State	€100M Jan 2022	 STOCKFELD DREAMERY  Material Exchange  northvolt
	1994	Seed	€72M May 2018	 RENEWCELL  GREEN  ALTERED
	2017	Seed	€66M Jan 2022	 HACK YOUR CLOSET  OPEN PAYMENTS  Insurely
<b>BackingMinds</b>	2016	Seed	€55M Jun 2021	 trustrace  Dynamic Code  Transfer Galaxy

# Diversity remains a challenge in the Swedish tech ecosystem, with less than 1% of capital going to all-female founding teams.

Share of capital raised by Swedish startups by gender 2016-2021



“We need accountability. Governments and institutional investors should lead the way and not wait for private capital to make the move.”

“The numbers tell us that not only are female founders raising longer periods for less funding but also at lower valuations. However, when we look at profit, female founders are 45% more profitable than all male founding team.”

Read the full interview

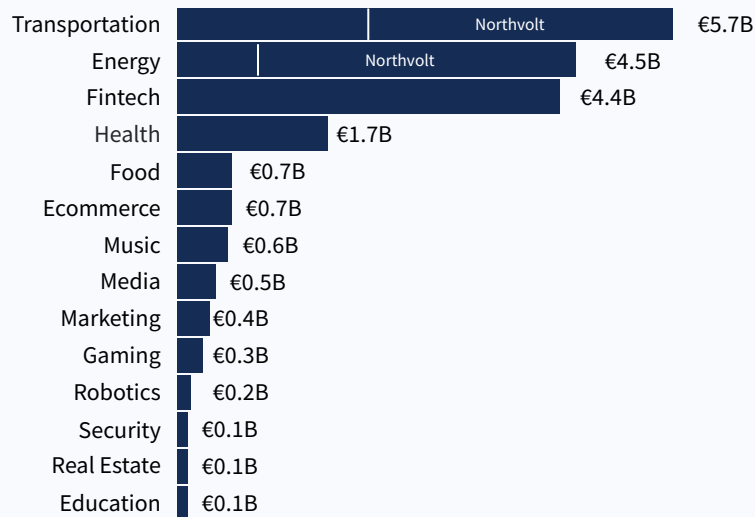
**Nora Bavey**

General Partner, Unconventional Ventures

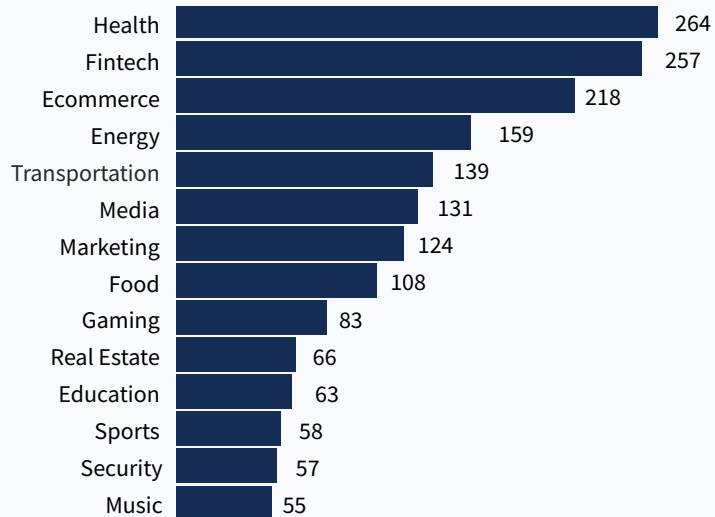


# Swedish startup innovation mirrors traditional industrial strengths, with transportation leading VC investment funding since 2017.

Total VC investment by sector 2017-2021 [» view online](#)



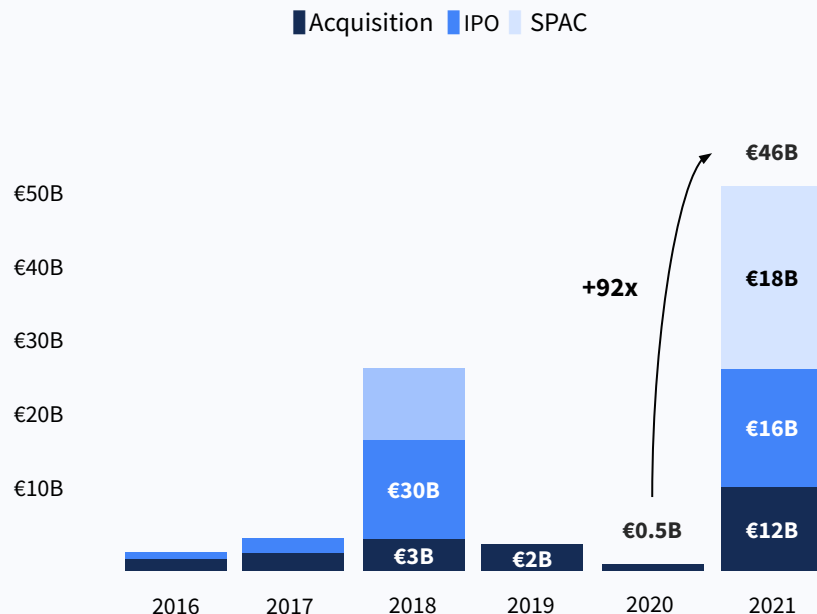
Total VC rounds by sector 2017-2021 [» view online](#)











# Value creation realized: A record-breaking €46 billion in Enterprise Value exited via IPO (Oatly, Truecaller) or acquisition (Veoneer, Itiviti) in 2021.

## Combined valuation of Swedish exits » [view online](#)



## Biggest exits announced in 2021 » [view online](#)

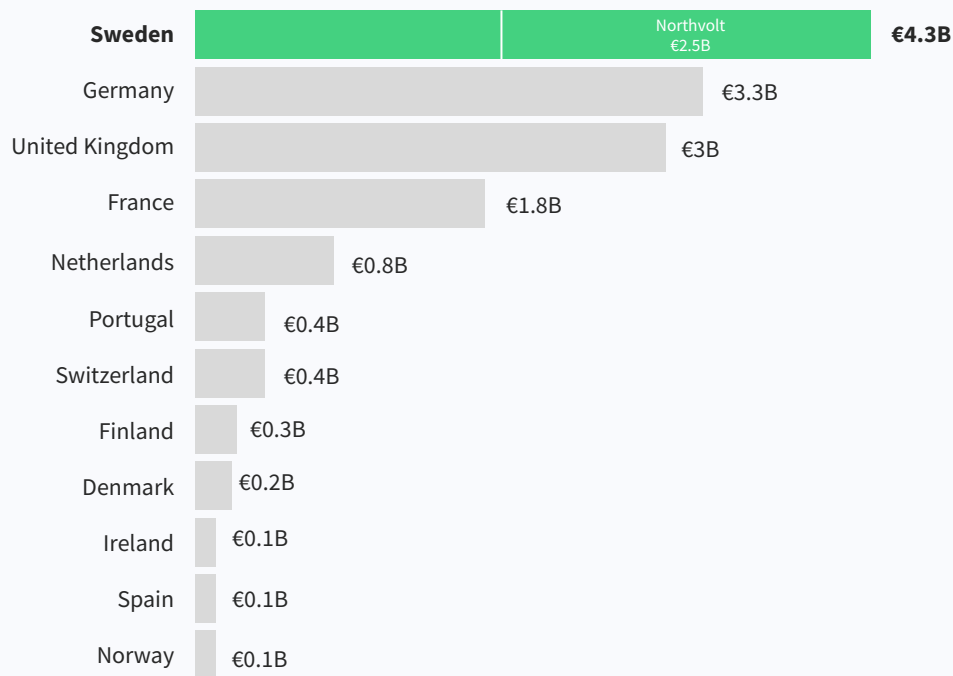
	Company	Exit type	Enterprise value	
	Polestar	Electric car brand	SPAC IPO	€18.2B
	 THE ORIGINAL OATLY!	Plant-based milk	IPO	€11.8B
	 veoneer	Software, hardware and systems for vehicles	Acquisition	€4.1B
	 truecaller	Telecommunications platform	IPO	€2.4B
	 ITIVITI A Broadridge Business	Trading software	IPO	€2.1B
	 tink	Open banking platform	Acquisition	€1.8B
	 RR Revolution Race	Outdoor fashion brand	IPO	€0.9B

# Purpose-driven startups



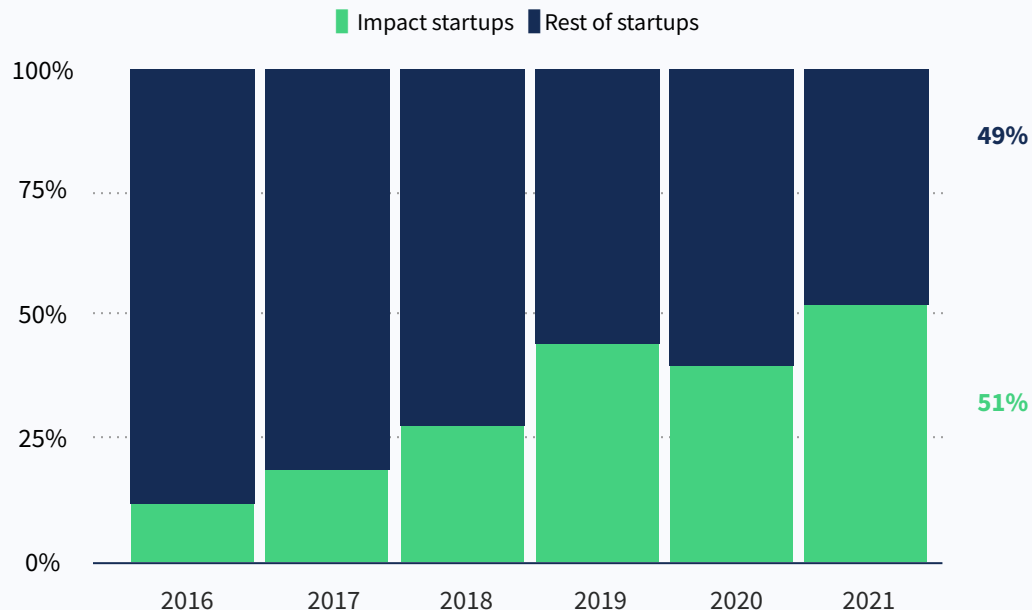
# Sweden led VC investment in impact startups in 2021.

## VC investment in European impact startups in 2021

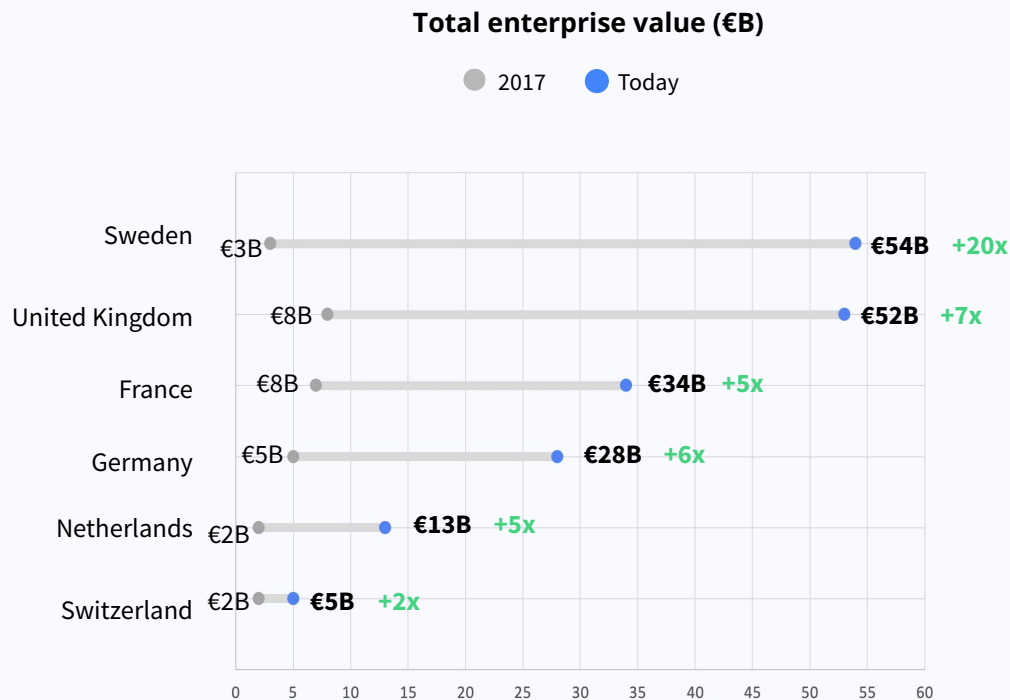


Over half of all 2021 funding was raised by *impact-focused* startups for a total of €4.3B.



Impact investing in Swedish Startups as a percentage of total VC investment 2016-2021



# The combined enterprise value of Swedish impact startups has grown 20x since 2017, faster than any other European hub.



## Most valued Swedish impact startups in 2022

	Company	Founded	Valuation
Polestar	<b>Polestar</b> Electric performance brand	1996	€18.2B
 <b>Oatly</b>	Plant-based milk brand	1990	€11.8B
<b>northvolt</b>	<b>Northvolt</b> Lithium-ion batteries manufacturer	2016	€10.7B
<b>kry</b>	<b>Kry</b> Digital healthcare services	2014	€1.8B
<b>voi.</b>	<b>Voi Technology</b> Electrically powered scooters	2018	€1B
 <b>Azelio</b>	Energy storage solutions	2006	€0.8B
<b>RENEWCELL</b>	<b>Re:newcell</b> Recycling, biodegradable raw materials for fashion	2012	€0.7B

## Sweden, an impact powerhouse.



**Tove Larsson**  
Program Manager



<norrskén>

**“We are super excited to see many of the new startups focusing on impact and sustainability.”**

"We, as in humanity and our planet, are facing enormous challenges. And to address these challenges, we need new and scalable solutions. We really believe that startups are in many ways the perfect foundation for such solutions. Startups can start from a blank sheet, be truly innovative, agile and brave."

# 460+ Swedish startups tackling SDGs.

## Climate Action (#13)

Oatly  
Stockeld  
Hack your closet  
Einride  
+150 more...

## Quality Education (#4)

Checheza  
ImagiLabs  
Sana Labs  
+20 more...

## Responsible Consumption and Production (#12)

RE/WAY  
Karma  
Mimbly  
PARENTLY  
+130 more...

## Good Health and Well-being (#3)

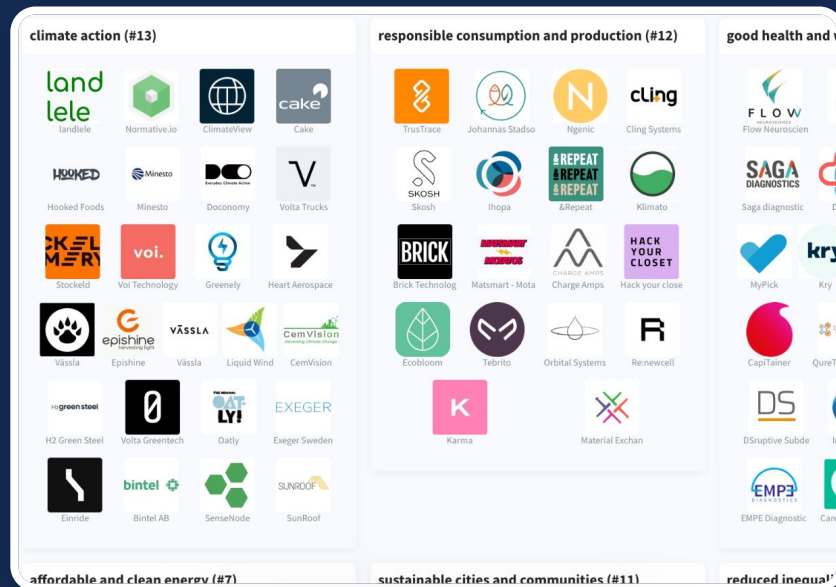
Kry  
Progress Me  
Natural Cycles  
HOLISTAL  
+110 more...

## Sustainable Cities and Communities (#11)

Northvolt  
Colive.se  
Volta Trucks  
Solvatten  
Tiptapp  
+100 more...

## Gender Equality (#5)

VoiceHer  
Grace Health  
Quizrr  
Just arrived  
+20 more...



» Swedish impact startups by SDG

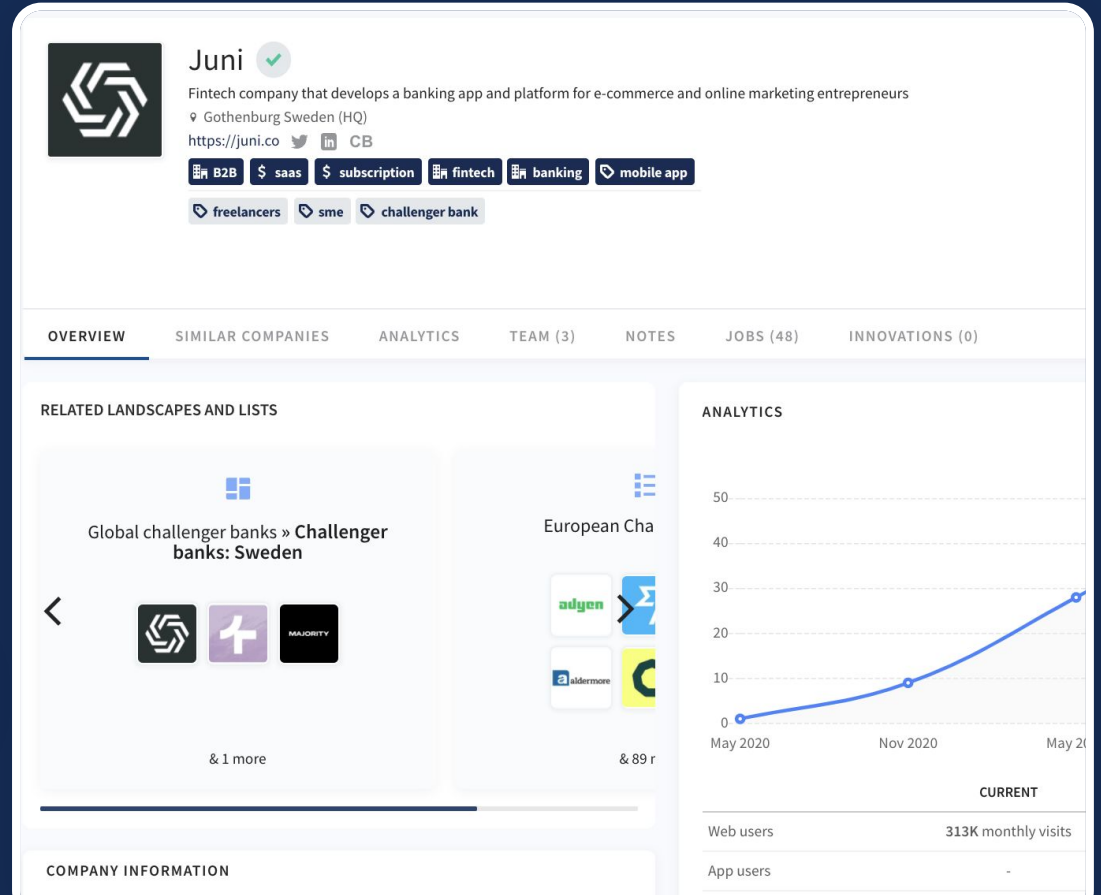
# Put your startup on the map.

Let the best VCs find you

Attract top talent

Contribute to an open dataset

» Claim your profile





Visit [techecosystem.startupsweden.com](https://techecosystem.startupsweden.com) to explore Sweden's tech ecosystem in greater depth.

The first open digital database covering startups, scaleups and funding in Sweden.

The platform catalogues the collective regional tech ecosystem, covering areas such as newly founded and scaling companies, funding, investors, accelerators, and job opportunities.

Initiated by



SI. Swedish Institute

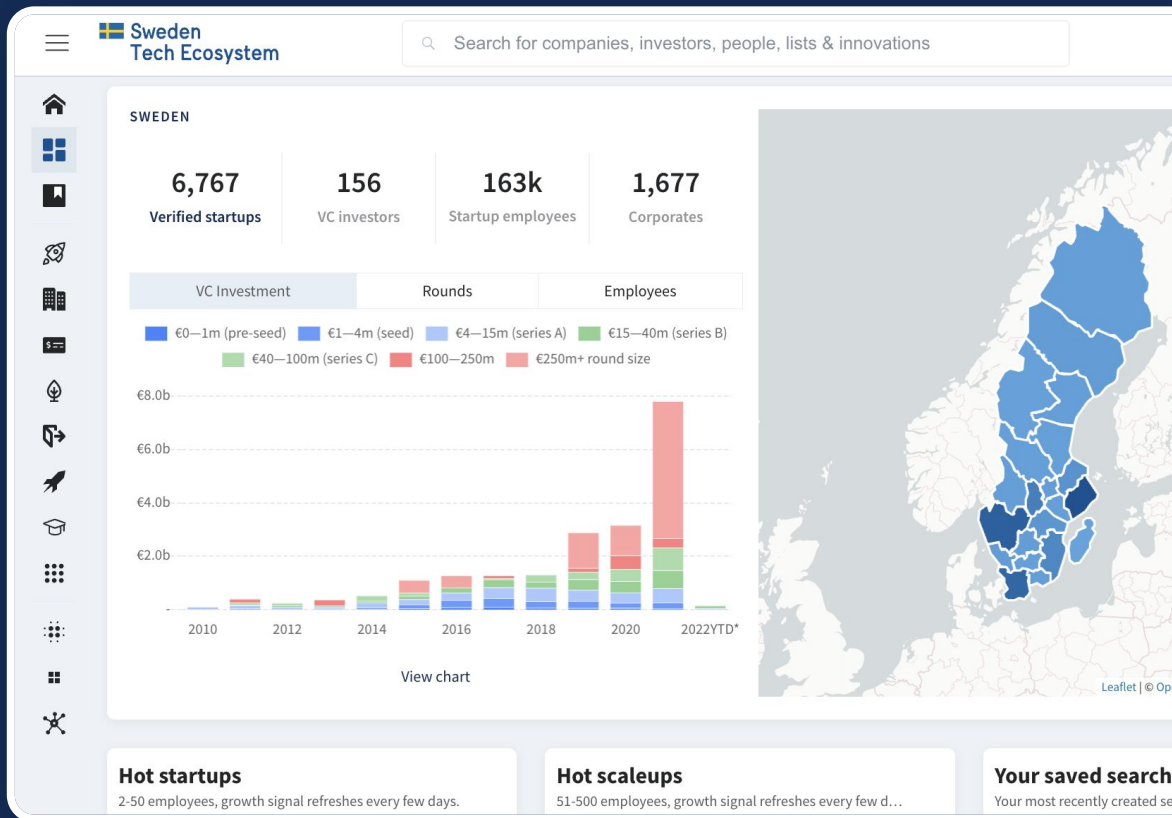


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# Methodology & definitions

## Startups & venture capital

This report focuses on companies in the internet age, i.e. after 1990. Most (but not all) unicorns are VC backed. The majority of the companies included in the analysis are tech-driven.

Companies included in the analysis are tech-driven. Industries include software, ecommerce, online marketplaces, hardware, ICT infrastructure. The full [industry & business model taxonomy](#) can be found online.

Investment numbers refer to venture capital investment rounds such as seed, series A, B, C, late stage, and growth equity rounds. It excludes debt or other non-equity funding, lending capital, grants and ICOs.

Buyouts, M&A, secondary rounds, and IPOs are treated as exits: excluded from funding data, but included in exit data.

## Valuations, unicorns & future unicorns

A unicorn is defined as a rapidly scaling company (and tech enabled) that has reached a \$1 billion valuation, on the basis of a funding round (unrealised), acquisition or IPO (realised). There are some notable edge-case.

A future unicorn is defined as a tech driven company valued at over \$250 million but less than \$1 billion, excluding acquired and/or public companies.

For the analysis of Unicorns and Future Unicorns this reports uses the currency USD instead of EUR. More about the unicorn methodology can be found [here](#).

The combined valuation of startups is based on their market cap or latest transaction value in Euro. Transaction value is realised from exit or implied unrealised valuation from the latest VC round, which is either announced or estimated by Dealroom based on market-based assumptions for dilution.

## Underlying data

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

Most underlying data from the report is available online via [techecosystem.startupsweden.com](https://techecosystem.startupsweden.com). For more info please visit [dealroom.co](https://dealroom.co) or contact [support@dealroom.co](mailto:support@dealroom.co).

## Impact

We consider impact startups to be companies that address one or more of the UN Sustainable Development Goals (SDGs). A detailed methodology of Dealroom's impact classification is provided on the [Impact Database](#).

# How we arrived at the final dataset.

Starting point of businesses with [6.8k](#) verified startups with founded or HQ in Sweden, which is [powered by Dealroom](#).

- Verified means manually verified to qualify as a startup.

Of which [6.7k](#) verified startups with HQ in Sweden

Of which [5.9k](#) verified startups founded after 1990 with HQ in Sweden

**Scope of this report.**

