

BUSINESS
FINLAND

RESULTS AND IMPACTS 2021



2021

Last year, we were already hopeful that the pandemic era would soon be over, and the world would return to normal life,

but the pandemic did not abate.

However, exports rallied, and Business Finland had an active role in this upward shift. Regardless of their size, our customer companies witnessed growth in their volume of exports in 2020 and 2021.

In a difficult and unpredictable situation, we were able to adapt services for the new situation and help Finnish companies innovate and grow.

We were successful despite Corona.

RRF funding, which promotes the Green Transition, had a significant role in exports and companies' research, development, and innovation investments.

The Finnish government aims to increase RDI investments to four percent of GDP. The challenge competition for leading companies is one of Business Finland's solutions to get companies to increase their research and development investments. Success creates a firm foundation for the economy, prosperity, and wellbeing.



WHAT DID WE ACCOMPLISH IN 2021?

Our customer companies have increased their exports and Business Finland has actively helped these companies.

- Business Finland's customer companies increased their exports in 2020 and 2021, even though the global pandemic situation caused difficulties for international business.
- Business Finland's role has been active in the revitalized export operations. Our extensive international network met with customers over 7400 times in 2021, in addition to our advisory services.
- Our customers have estimated that EUR 800 million of their exports to foreign markets are due to their collaboration with Business Finland.

In 2021, we granted EUR 701 million in funding, of which EUR 561 million went to companies

- Of the innovation funding granted to companies, the share that went to SMEs was 53 percent.
- We concluded our emergency financing projects. For the companies that received funds, the emergency financing maintained their ability to pay wages. The companies that received funds have furloughed and laid off fewer employees and lowered wages less than companies that received no support.
- The challenge competition for leading companies is one of Business Finland's solutions to get companies to increase their research and development investments.

Business Finland's role in Finland's Sustainable Growth Program is substantial

- BF was able to get EUR 530 million granted to Finnish companies. RRF funding applications were started quickly, and last year EUR 74 million of RRF funds were already granted.
- RRF funding has a significant effect on exports and companies' research, development, and innovation investments.

IN 2021, OUR CUSTOMER
COMPANIES' EXPORTS
INCREASED EVEN FASTER
THAN THE YEAR BEFORE

ACTIVELY PROMOTING EXPORTS DESPITE THE PANDEMIC

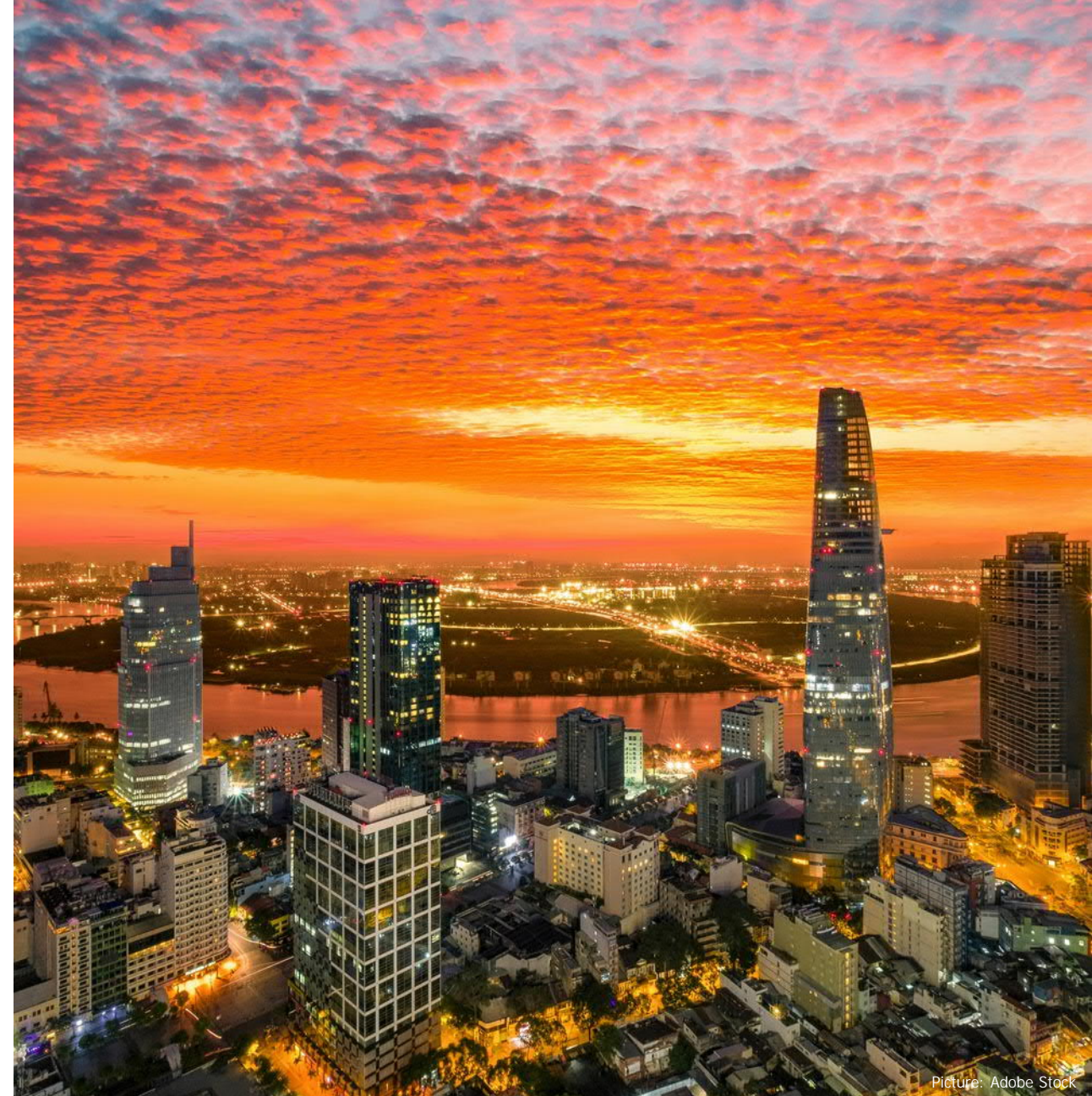
Companies of every size that received Business Finland's innovation funding have increased their exports during the pandemic.

Our customers have estimated that EUR 800 million of their exports to foreign markets are due to their collaboration with Business Finland.

The average customer feedback for internationalization services last year was 4.5 on a scale of 1–5. Our customer companies valued Business Finland's practical support very highly, which they rated a 4.6.

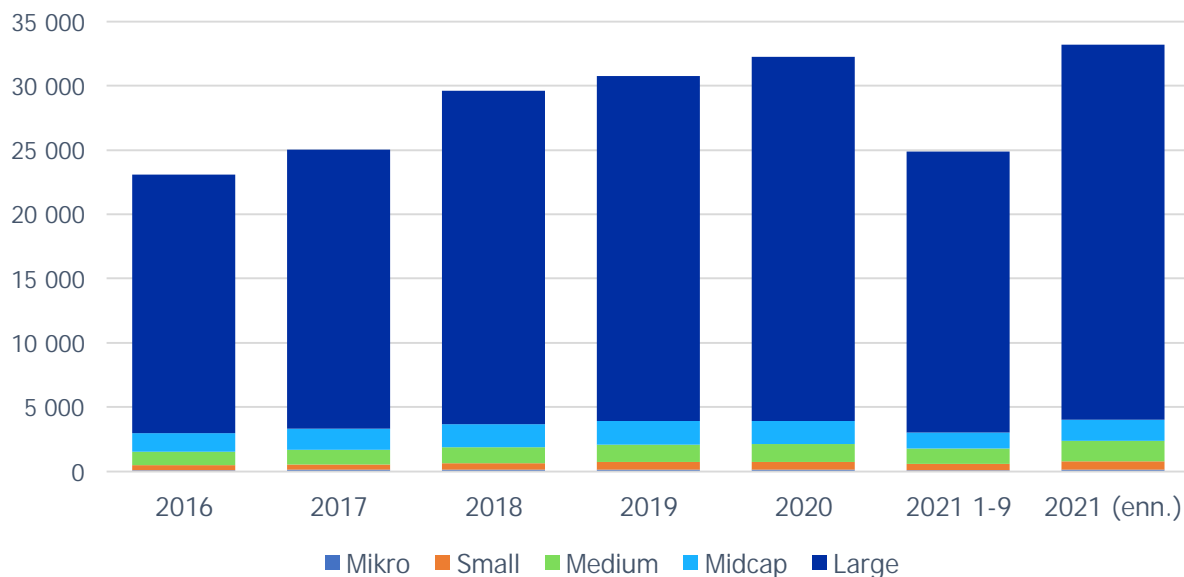
Our international network held 7,415 meetings with customers last year, and 4,059 companies received advice.

Customer companies estimate having created nearly €40 of new exports for each euro of funding they received.



BUSINESS FINLAND'S CUSTOMER COMPANIES INCREASED THEIR EXPORTS IN 2021

Business Finland's Customers 2017 - increase in exports
(MEUR)



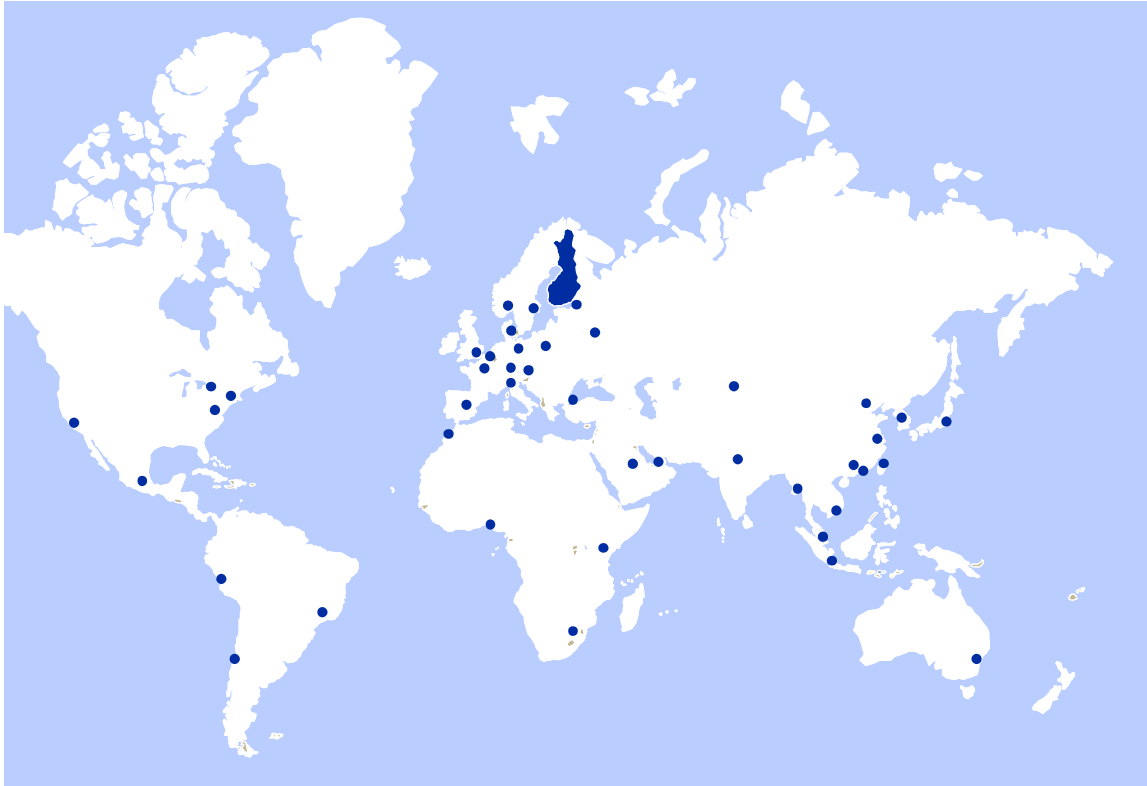
Companies of every size that received Business Finland's innovation funding have increased their exports during the pandemic. The results of funded projects are often only visible after several years.

The annual export forecast for the funded projects has remained at a good level throughout 2021.

Customer companies estimate having created €40 of new exports for each euro of funding they received (in 2020, this estimate was €36).

The increase in exports for customer companies has continued through 2020 and 2021 (forecast).

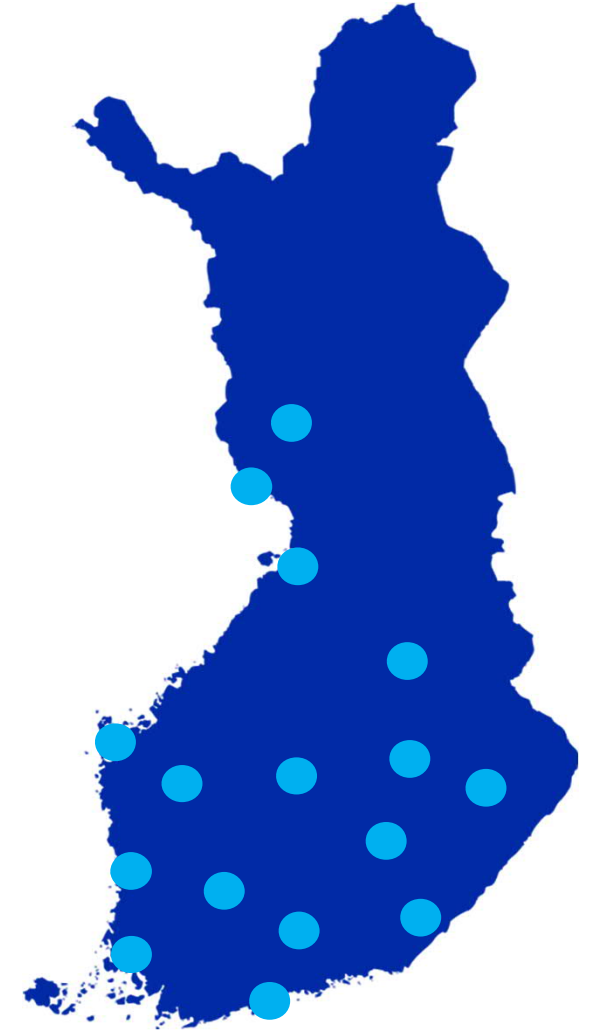
WE HAVE INTERNATIONAL AND LOCAL EXPERTISE



760
specialists

16
locations
in Finland

42
locations
round the world



BUSINESS FINLAND'S GLOBAL NETWORK 2021

Meetings with customers 7,415

Advising 4,059

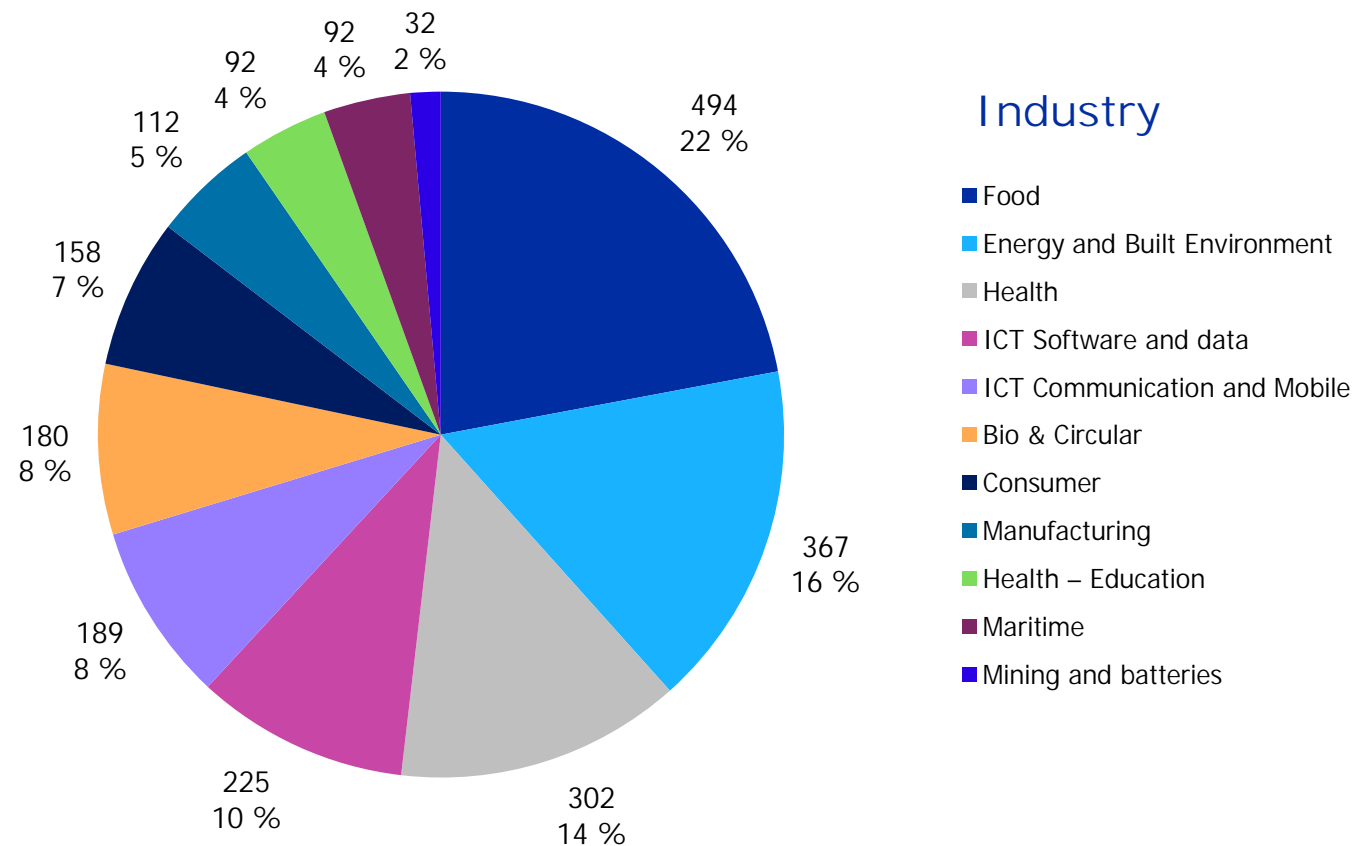
Forwarded contacts 4,320

New Market Opportunities 431

Activated companies through Team Finland Market Opportunities 2,224 in total.



MARKET OPPORTUNITIES – ACTIVATED COMPANIES PER INDUSTRY 2021



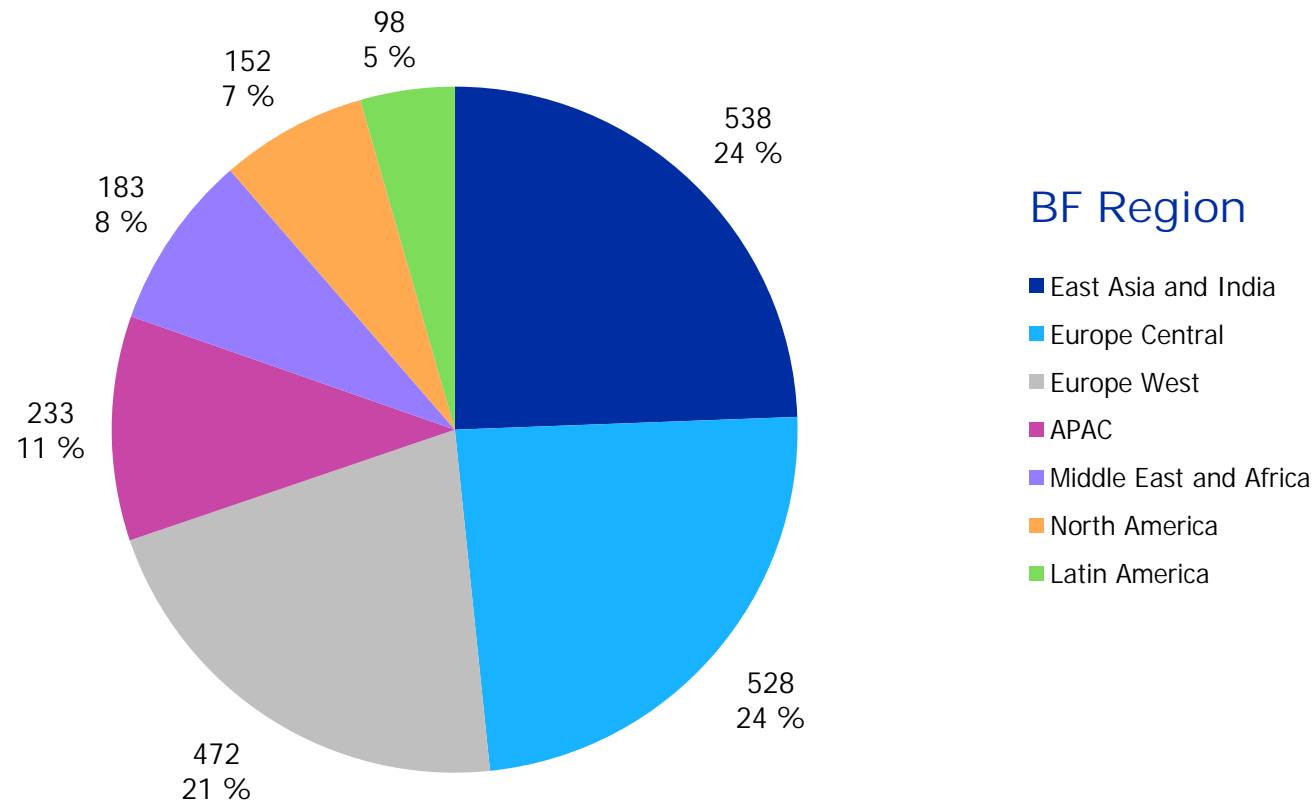
Food industry has been the largest of individual industries in the number of companies activated

(494 / 22%)

Second largest is ICT with its two industries. (414 / 18,4%)

Energy & Built Environment (367 / 16,3%) and Health (302 / 13,4%) next.

MARKET OPPORTUNITIES – ACTIVATED COMPANIES PER REGION 2021



Europe as a whole is leading in number of activated companies (1000 companies / 45 %) i.e., almost half of all company activations.

East Asia and India continues to be attractive.

RENEWAL WITH INNOVATION FUNDING

FIFTY-THREE PERCENT OF INNOVATION FUNDING TO SMALL AND MEDIUM-SIZED ENTERPRISES

We granted companies a total of EUR 398 million in innovation funding and EUR 140 million for research.

In all, EUR 701 million (incl. business funding) was granted to companies and towards research.

The share of the innovation funding granted to SMEs and large companies remained the same as in 2020.

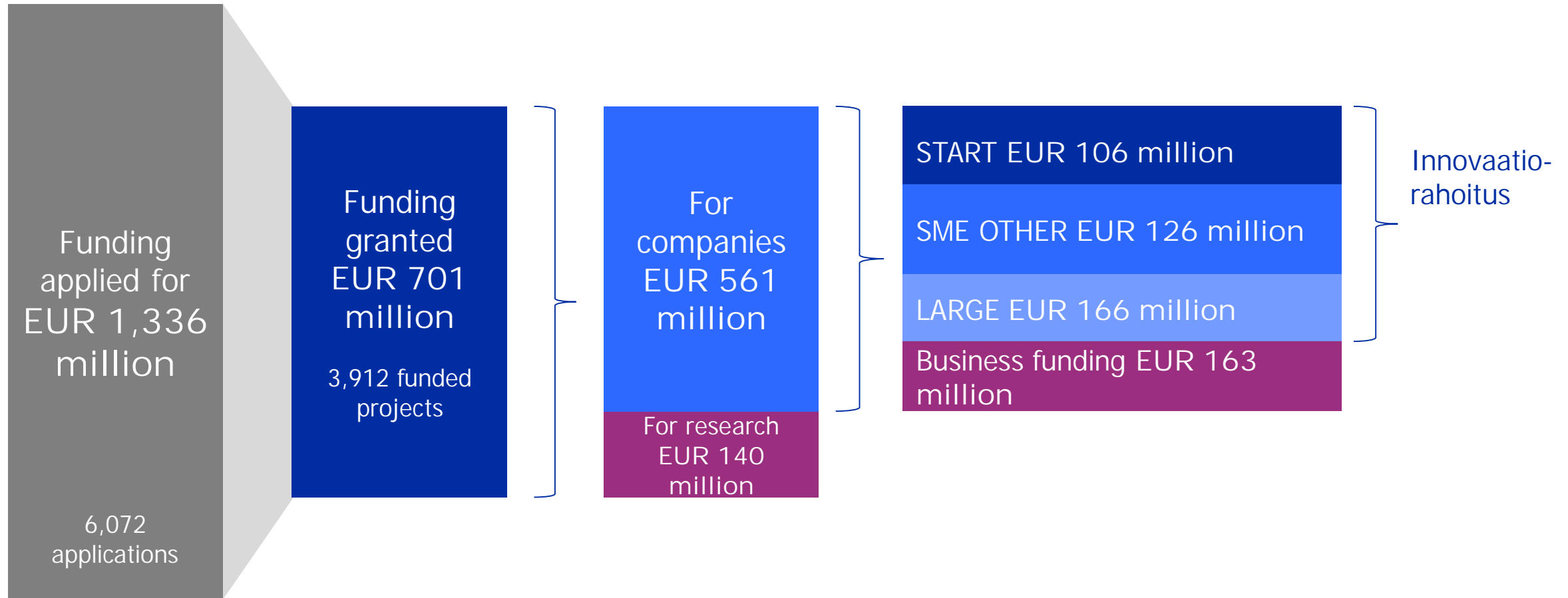
The share of the funding that went to SMEs was 53% and large companies received 47%.

In recent years, the leading company campaign has resulted in large companies, in particular, receiving funding.

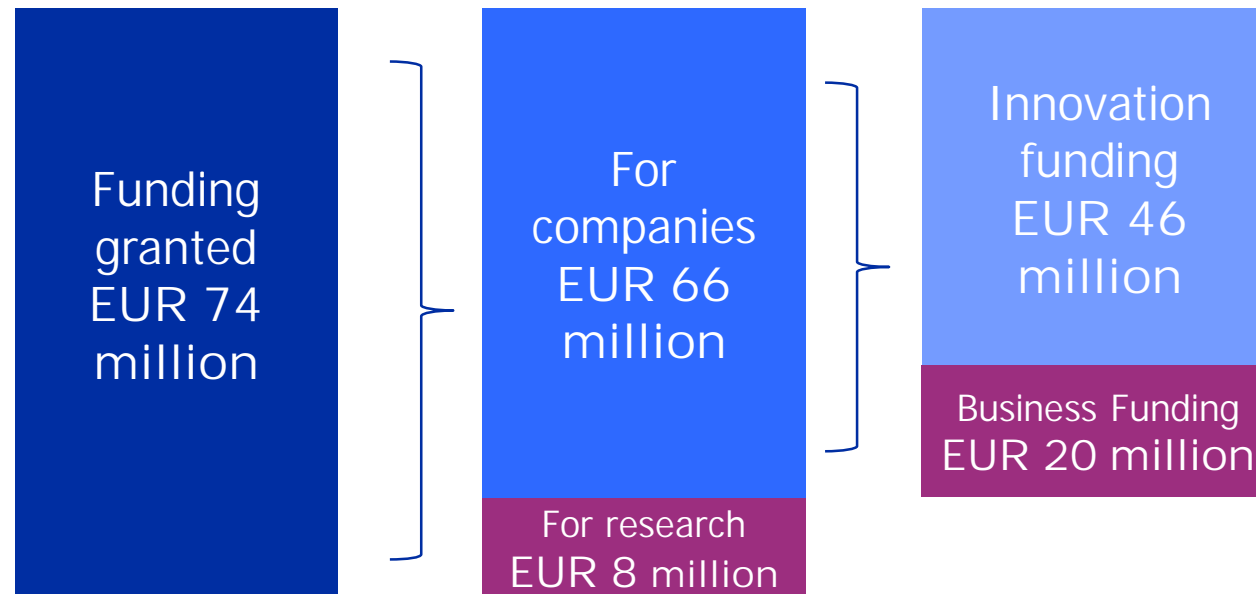


Picture: Adobe Stock

FUNDING VOLUME IN 2021



BUSINESS FINLAND'S ROLE IN THE SUSTAINABLE GROWTH PROGRAM FOR FINLAND (RRF) 2021



The Sustainable Growth Program for Finland provides support from the EU's recovery funds. Business Finland will grant EUR 530 million in funding between 2021 and 2023, and in addition, various services are available to accelerate international growth.

HIGHLIGHTS

FOLD

Sustainability and a new kind of visuality to packaging materials

- The project, led by VTT, is developing export products from environmentally friendly and visually distinctive packaging concept and other solutions utilizing folding technology.
- The Co-Creation project funded by Business Finland identified the technological bottlenecks in the FOLD project and mapped the commercial potential.
- Business Finland's funding of 2.9 million for the FOLD Co-Innovation project
 - The development, commercialization and export potential of FOLD technology.
 - Project partners: Stora Enso, Metsä Group, Lumene, Softens, Orfer, Elomatic, Anpap, Mirka, and Aalto University.



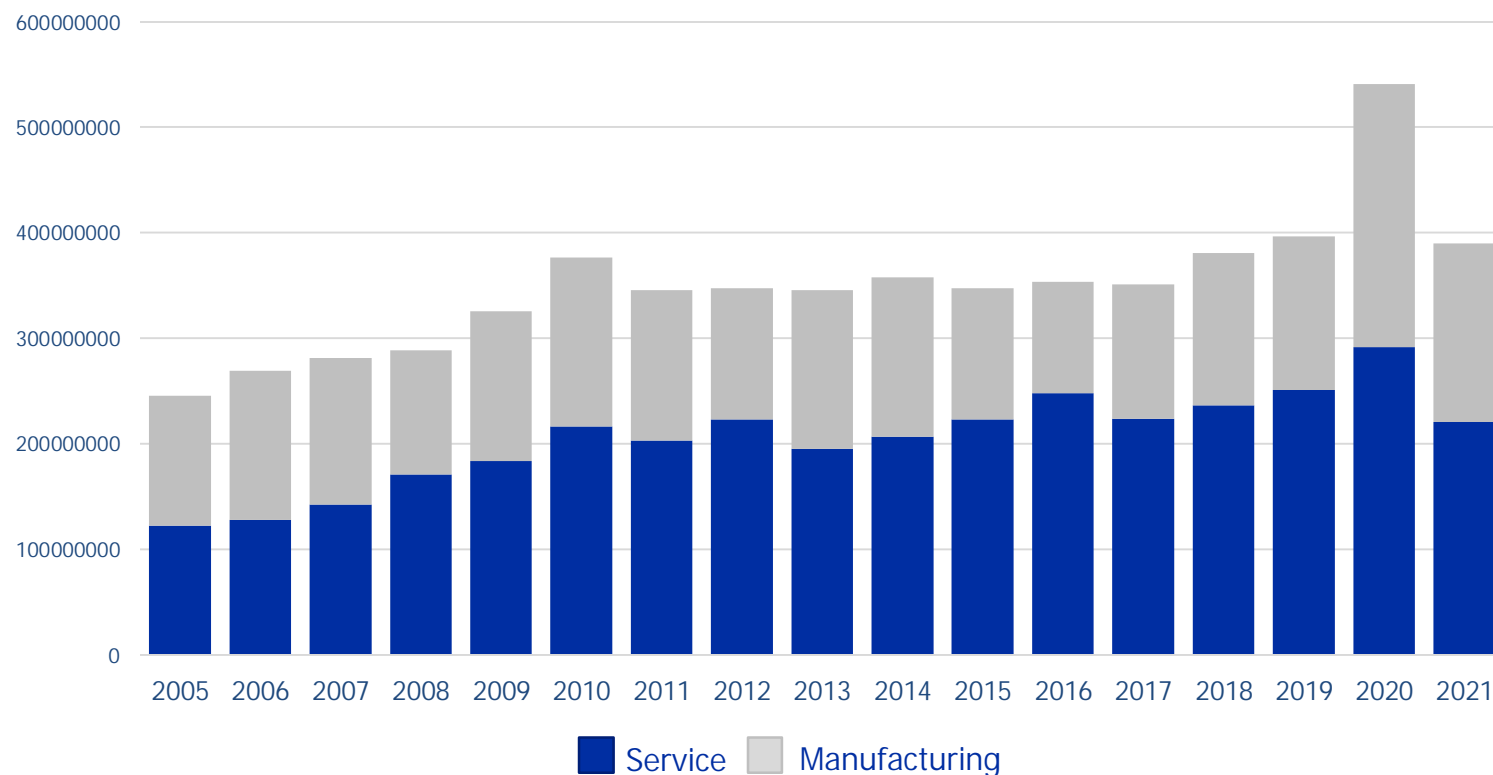
SANDVIK

Circular Economy is reinventing mining

- Sandvik Mining and Construction Oy is a global leading supplier of equipment and parts, service and digital solutions and sustainability-driving technologies for the mining and construction industries.
- Sandvik is committed to the UN Sustainable Development Goals to achieve Agenda 2030.
- Sandvik will reduce the carbon footprint across the board: electrification of work, digitalization, and automated mining.
- Commitment to Circular Economy also gives Sandvik a competitive advantage .

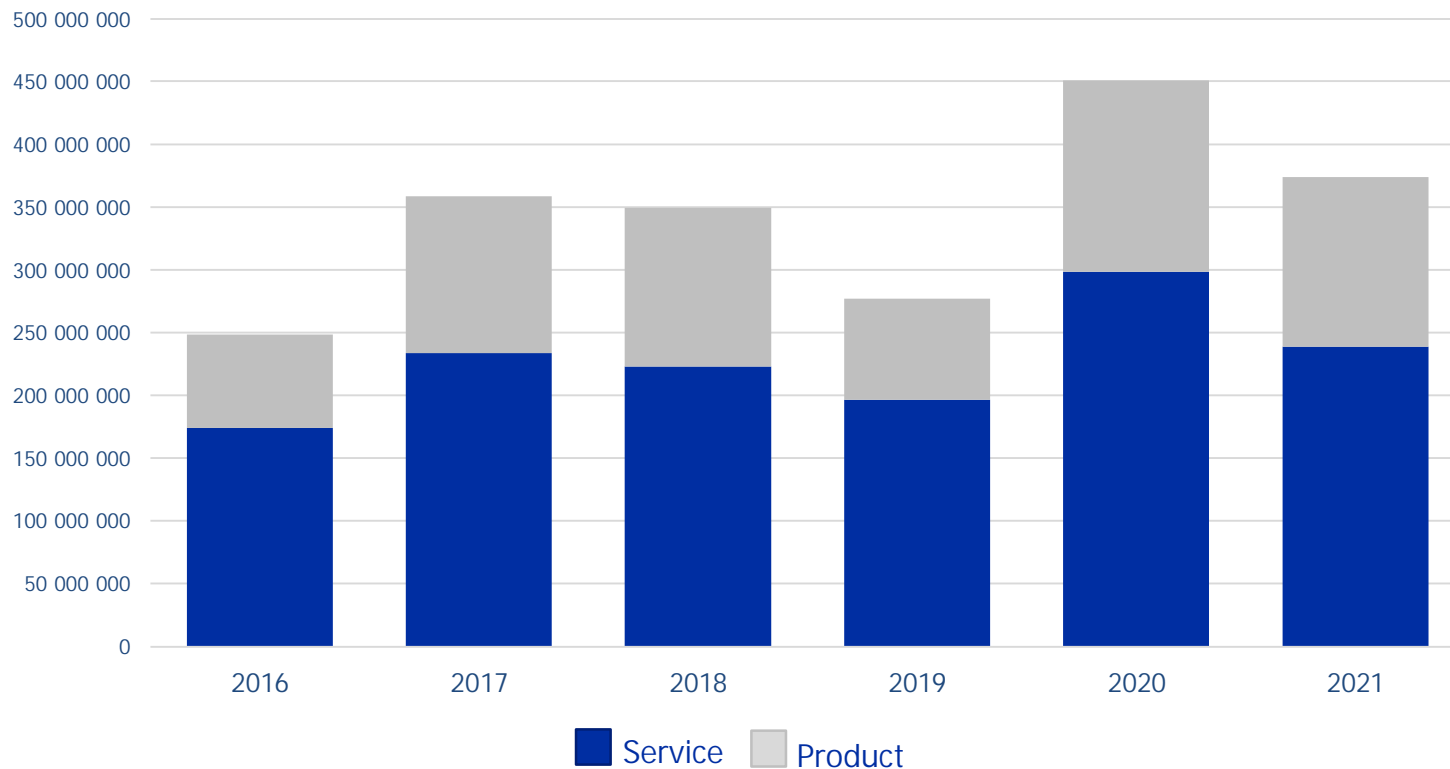


THE DISTRIBUTION OF INNOVATION FUNDING TO MANUFACTURING AND THE SERVICE INDUSTRY



Distribution of the 2021 innovation funding:
43% to manufacturing
57% to the service industry

THE DISTRIBUTION OF INNOVATION FUNDING TO DEVELOPING PRODUCTS AND SERVICES

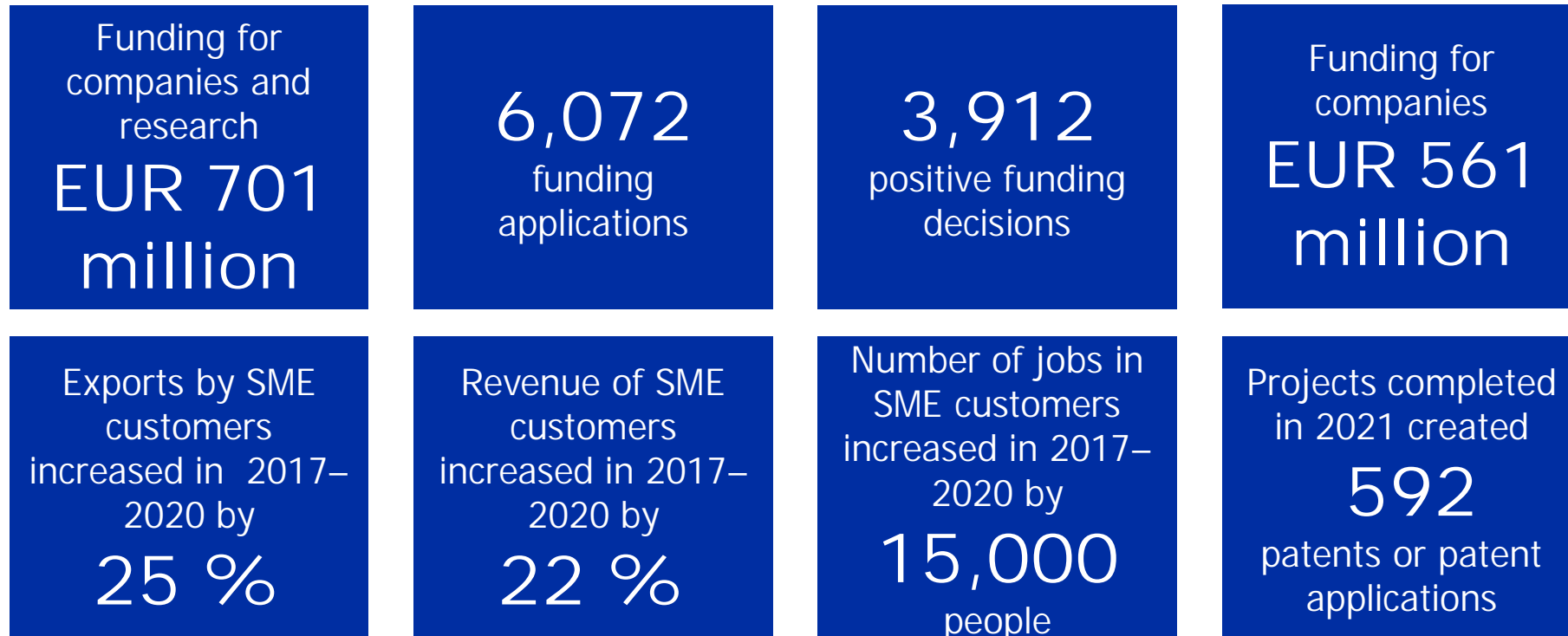


Distribution of the 2021
innovation funding:

36% to material products

64% to services

KEY FIGURES OF BUSINESS FINLAND'S FUNDING AND RESULTS IN 2021



WHAT WAS FUNDING USED FOR?

Projects completed in 2021 created

1,853



new or improved
processes, products,
services or
applications

592



patents or patent
applications

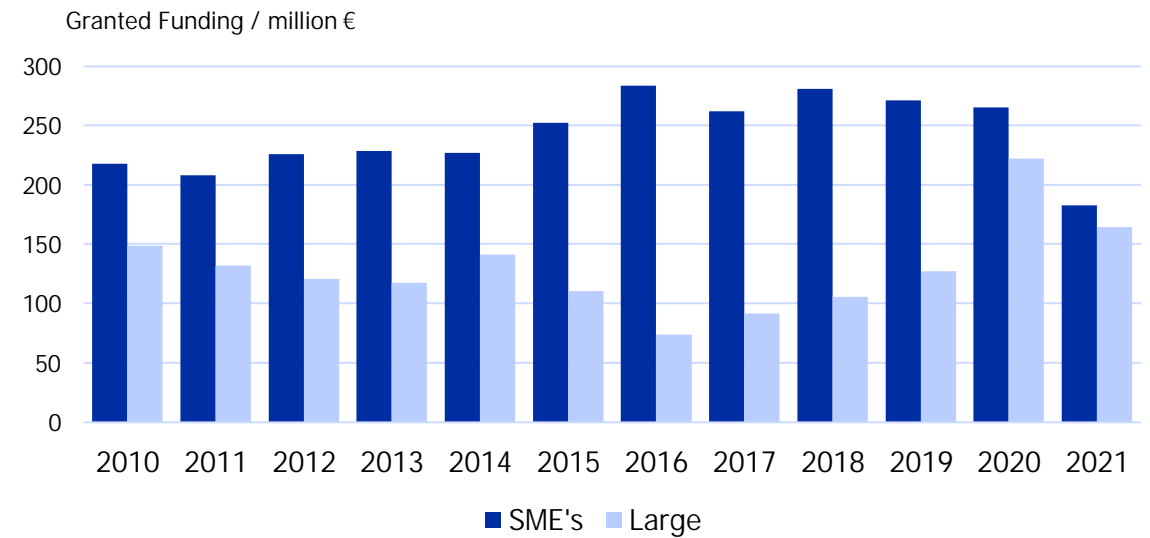
402



theses

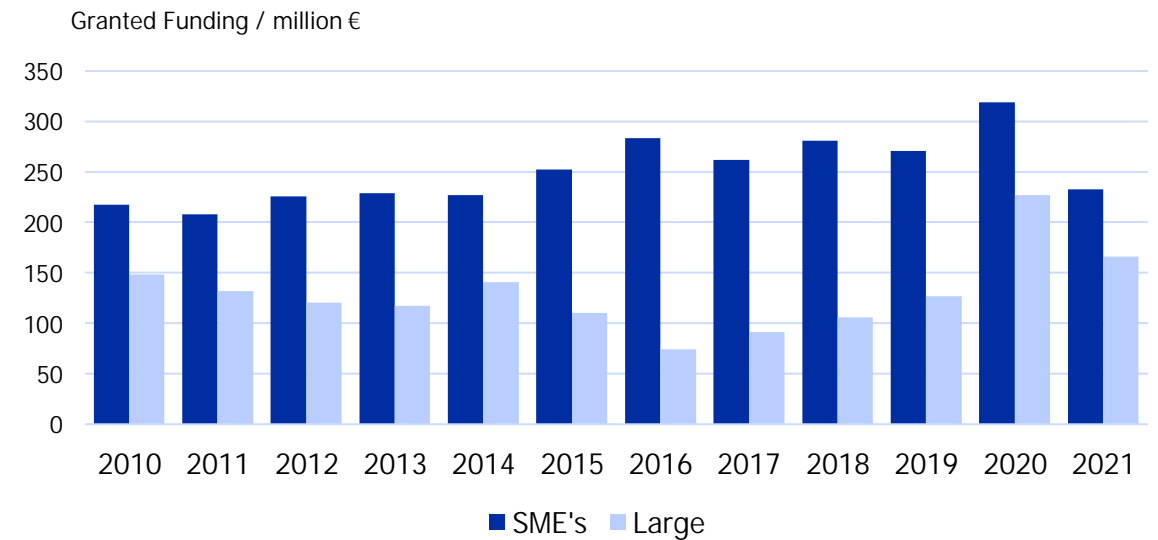
Figures calculated from innovation funding.

BREAKDOWN OF INNOVATION FUNDING IN 2010–2021



| Granted Funding / million € | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------|
| SME's | 217,6 | 207,8 | 225,6 | 228,5 | 226,9 | 252,3 | 283,3 | 261,8 | 280,5 | 270,9 | 260,4 | 182,7 | 2 898,30 |
| Large companies | 148,5 | 131,6 | 120,5 | 117,0 | 140,8 | 110,1 | 73,8 | 91,2 | 105,6 | 127,0 | 226,4 | 164,0 | 1 556,50 |
| Total | 366,1 | 339,3 | 346,2 | 345,6 | 367,7 | 362,4 | 357,1 | 353,0 | 386,0 | 398,0 | 486,8 | 346,7 | 4 454,90 |
| Percentage of large companies | 41 % | 39 % | 35 % | 34 % | 38 % | 30 % | 21 % | 26 % | 27 % | 32 % | 47 % | 47 % | 35 % |
| Percentage of SME's | 59 % | 61 % | 65 % | 66 % | 62 % | 70 % | 79 % | 74 % | 73 % | 68 % | 53% | 53 % | 65 % |

BREAKDOWN OF INNOVATION FUNDING IN 2010–2021 (including coronavirus loans)

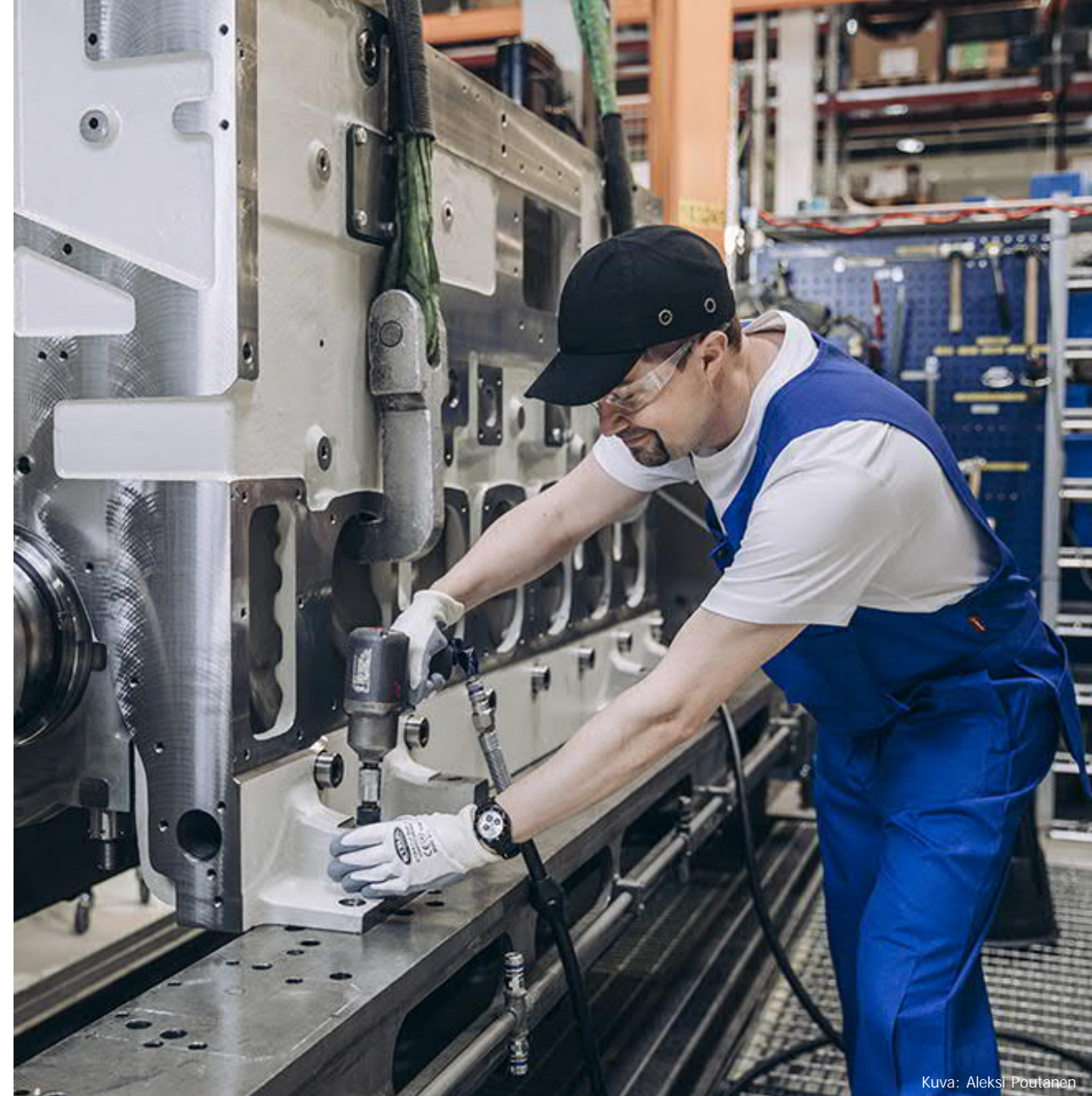


| Granted Funding / million € | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------|
| SME's | 217,6 | 207,8 | 225,6 | 228,5 | 226,9 | 252,3 | 283,3 | 261,8 | 280,5 | 270,9 | 318,5 | 232,4 | 3 006,10 |
| Large Companies | 148,5 | 131,6 | 120,5 | 117,0 | 140,8 | 110,1 | 73,8 | 91,2 | 105,6 | 127,0 | 226,6 | 165,9 | 1 558,60 |
| Total | 366,1 | 339,3 | 346,2 | 345,6 | 367,7 | 362,4 | 357,1 | 353,0 | 386,0 | 398,0 | 545,1 | 398,3 | 4 564,80 |
| Percentage of large companies | 41 % | 39 % | 35 % | 34 % | 38 % | 30 % | 21 % | 26 % | 27 % | 32 % | 42% | 42 % | 34 % |
| Percentage of SME's | 59 % | 61 % | 65 % | 66 % | 62 % | 70 % | 79 % | 74 % | 73 % | 68 % | 58% | 58 % | 66 % |

INNOVATION FUNDING CREATES JOBS

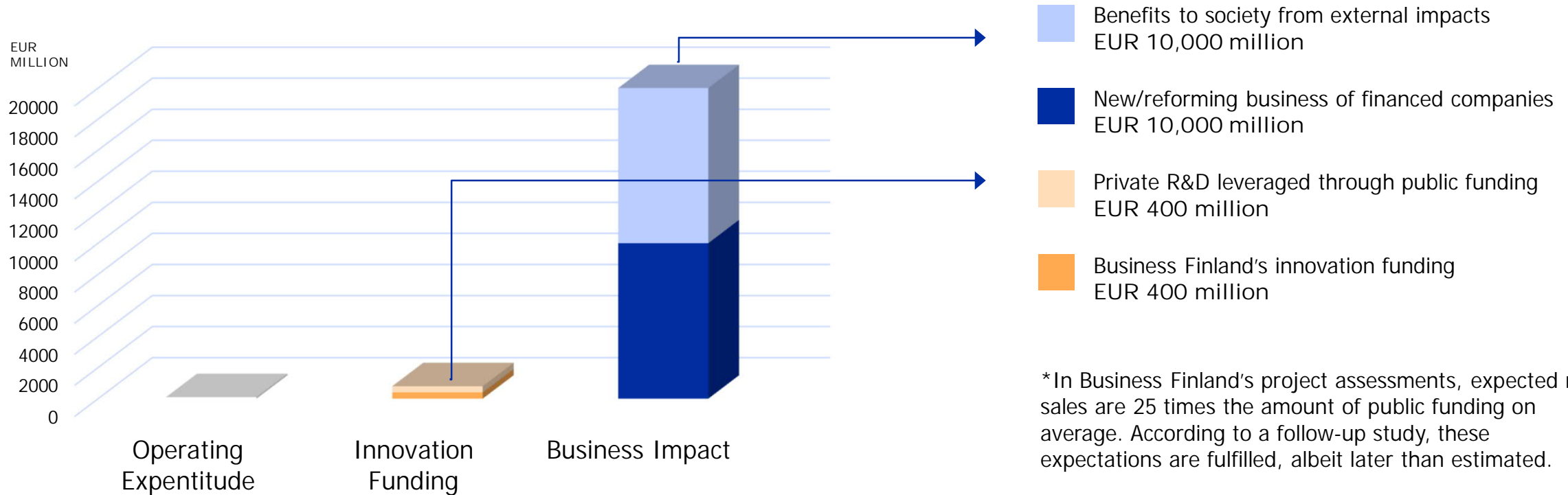
The RDI projects funded in 2021 are expected to create 24,971 new or reformed jobs.

With total RDI funding being roughly EUR 398 million in 2021, these expected results mean 63 jobs* per every million of additional funding. Correspondingly, costs per one new, reformed or maintained job are approximately EUR 15,973.



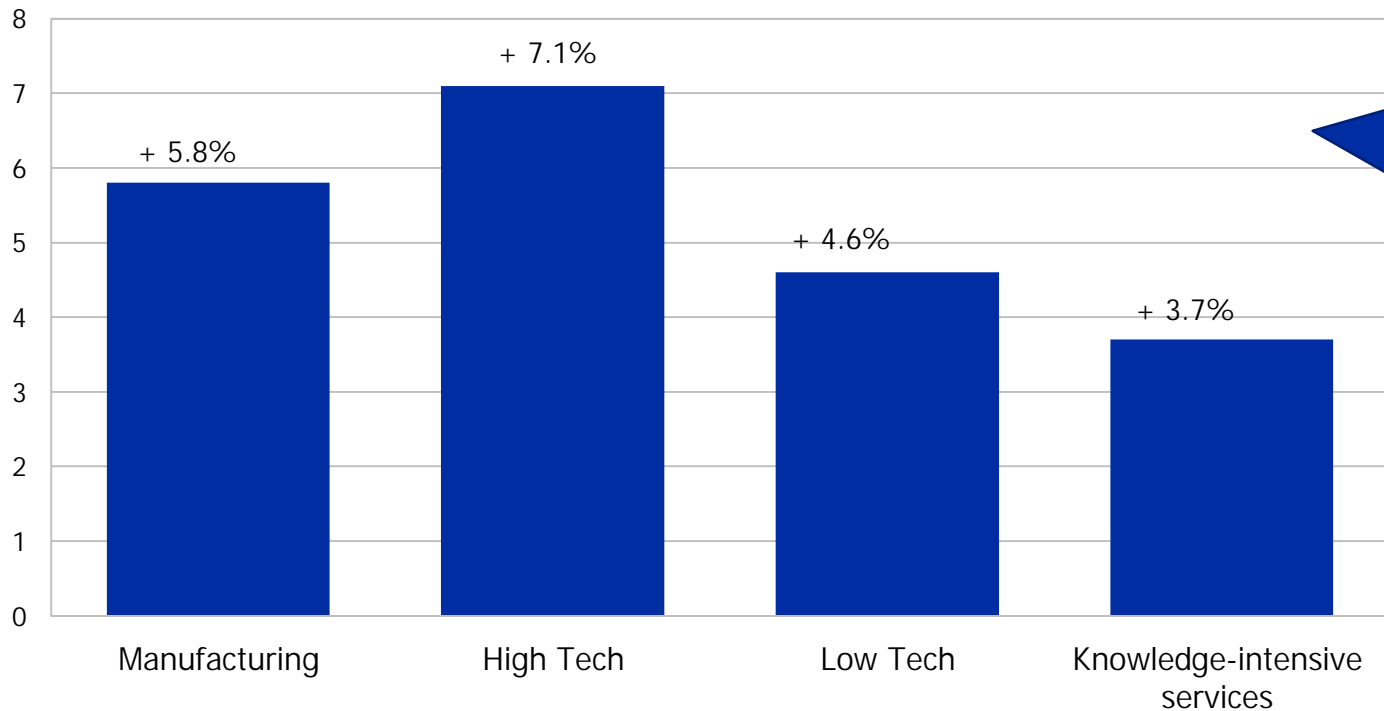
Kuva: Aleksi Poutanen

PUBLIC INNOVATION FUNDING LEVERAGES 25 TIMES MORE* NEW BUSINESS



PUBLIC RDI FUNDING INCREASES SIGNIFICANT INNOVATIONS

The effect of public RDI funding on the likelihood of companies bringing significant new innovations to market within three years

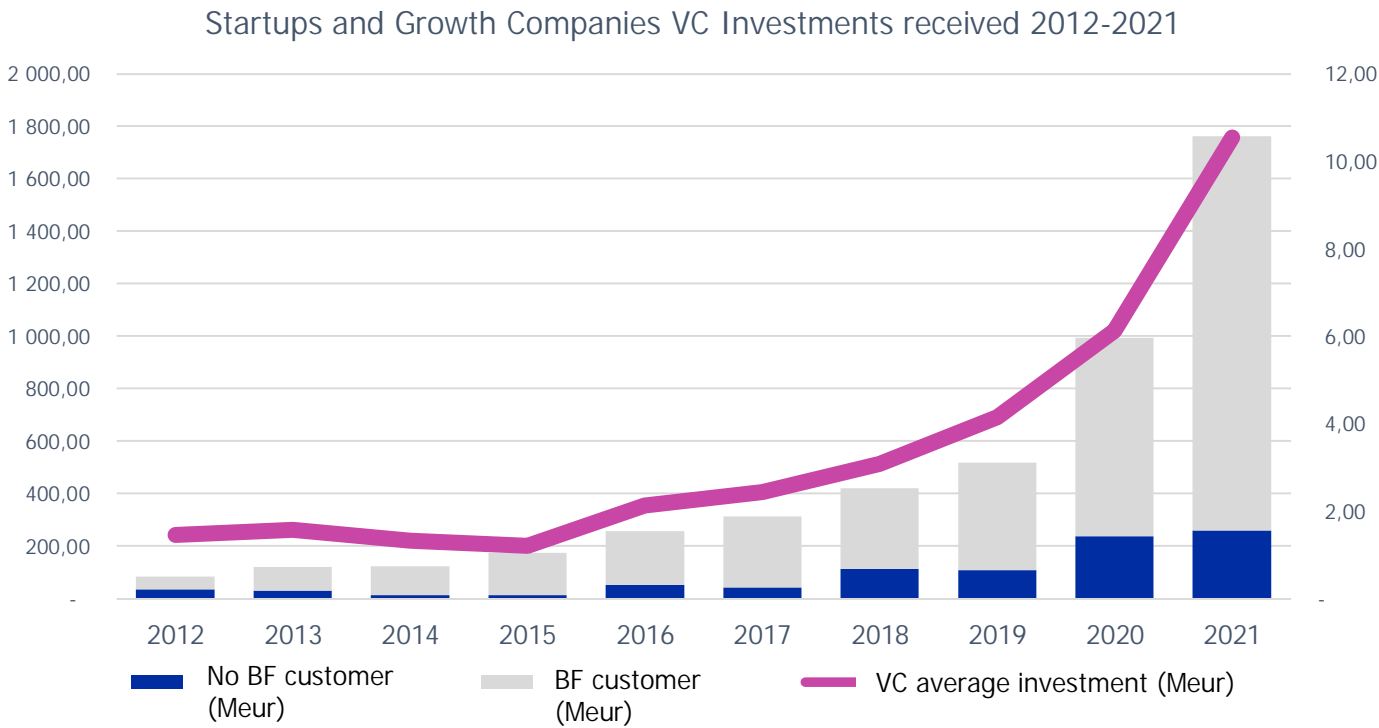


Being awarded public RDI funding increases the likelihood of companies bringing significant new innovations to market.

On average, grants increase the likelihood of innovations by 3.68 percentage points, loans by 5.15 percentage points, and a combination of grants and loans by 6.52 percentage points.

BUSINESS FINLAND'S STARTUP CUSTOMERS SUCCEED IN INVESTOR MARKETS

The average investment size has increased since 2015



| Year | No BF customer (Meur) | BF customer (Meur) | VC average investment (Meur) |
|------|-----------------------|--------------------|------------------------------|
| 2012 | 36 | 48,2 | 1,45 |
| 2013 | 30 | 91 | 1,57 |
| 2014 | 12 | 111 | 1,32 |
| 2015 | 12 | 162 | 1,21 |
| 2016 | 53 | 205 | 2,13 |
| 2017 | 43 | 270 | 2,44 |
| 2018 | 113 | 307 | 3,08 |
| 2019 | 108 | 410 | 4,14 |
| 2020 | 237 | 755 | 6,12 |
| 2021 | 259 | 1503 | 10,55 |

LEADING COMPANY PROJECTS 2020-2021

2022
MEYER TURKU
BOREALIS POLYMERS
VALMET

NESTE

Sustainable and globally scalable solutions for the research and development of raw materials that reduce the use of crude oil

FORTUM & METSÄ GROUP

New fiber-based products for consumer markets to reduce the carbon footprint

NOKIA

Making Finland a pioneer in 5G networks and **energy efficient edge-computing**

WÄRTSILÄ

Zero Emission Marine

ABB

Platforms for the optimal generation and consumption of electricity in a carbon-neutral society

KONE

Mobility solutions for urban environments in line with the principles of sustainable development

SANDVIK

Globally competitive electric and digital solutions for heavy machinery

TIETOEVRY

Trust Based Digital Services

In exchange for funding provided by Business Finland, the leading companies are committed to increasing their research, development and innovation (RDI) operations in Finland by several hundred million euros combined, and to create hundreds of new RDI jobs by 2024.

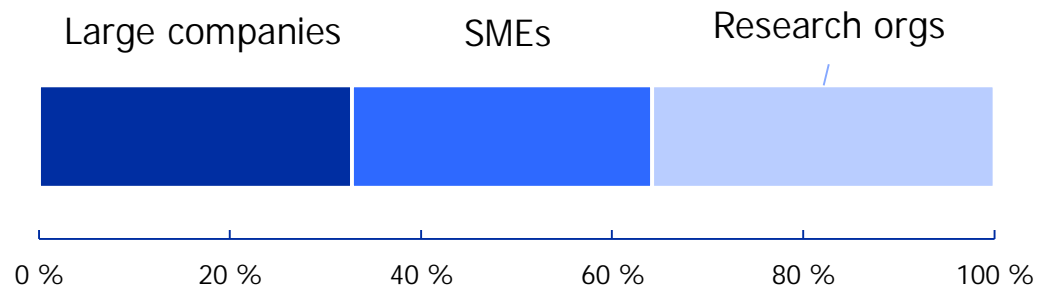
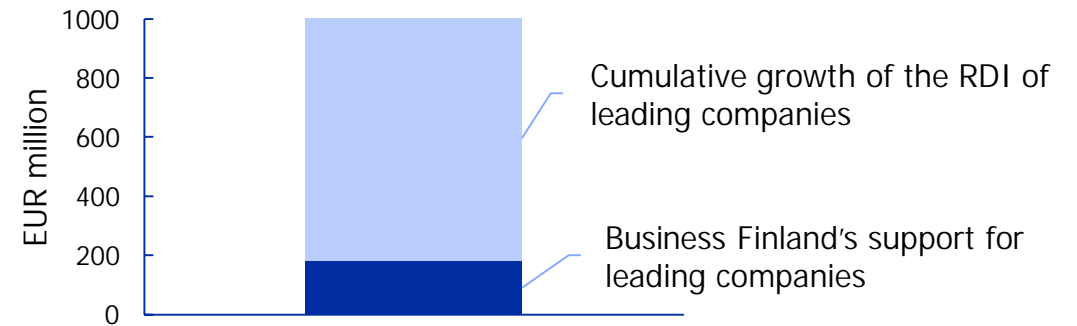
THE ROLE OF LARGE COMPANIES IS KEY IN ACHIEVING RDI INVESTMENTS OF 4% OF GDP

The multiplier from leading company funding is over 3.6

- Leading companies have been granted about EUR 180 million of RDI support.
- In exchange, the companies have committed to increasing their RDI investments in Finland by a total of over EUR 834 million.

67% of the funding for leading companies is channeled to SMEs and research organizations

- So far, the ecosystem projects of leading companies have been granted about EUR 88 million.
 - Company and research organization projects
- There is a large amount of subcontracting from smaller companies and research organizations in ecosystem and leading company projects



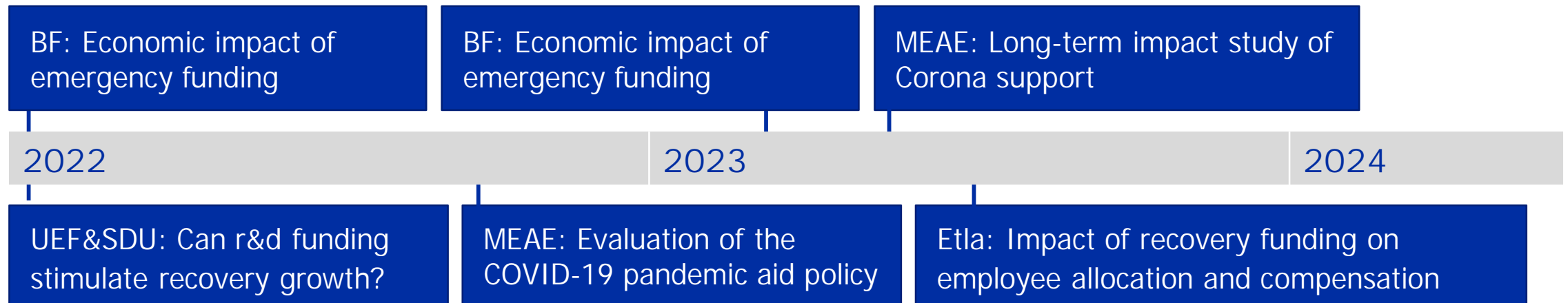
FOR THE COMPANIES THAT RECEIVED FUNDS, THE EMERGENCY FINANCING MAINTAINED THEIR ABILITY TO PAY WAGES

- The companies that received funds have furloughed and laid off fewer employees and lowered wages less than companies that received no support.
- Both development funding and feasibility study funding have a positive effect on the wages paid by the recipient companies.
- The effects were immediate and still visible 18 months from the decision.
- The size of the effects was 5%–12% compared to the reference group



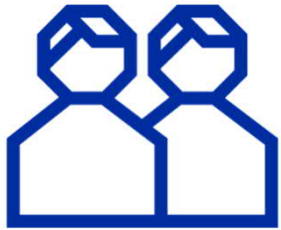
THE EXAMINATION OF THE IMPACT OF EMERGENCY FUNDING WILL CONTINUE

- Along with Business Finland, The Ministry of Economic Affairs and Employment (MEAE) and other research organizations will commission and conduct analyses.
- BF will commission an extended review of economic impact in 2022.
- The MEAE will commission a long-term impact study, which will be ready for release in 2023.
- Different research groups will publish their results in 2022 and 2023.



FOREIGN INVESTMENTS CREATE JOBS AND TAX REVENUES

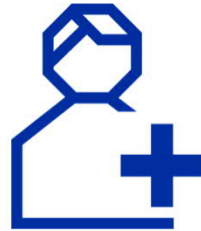
INVEST IN FINLAND RESULTS 2021



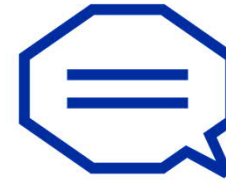
40
customers



+161 M€



609
jobs



1013
proactive
contacting



111
virtual visits to
Finland

INTERNATIONAL GROWTH REQUIRES INTERNATIONAL COMPETENCE

TALENT BOOST FINLAND

JobsinFinland.fi: At the end of the year, there were roughly 1,200 open job positions on the portal.

- During the year, nearly 300,000 visitors visited the site.
- The "Choose happiness – Work in Finland" marketing campaign reached over 9 million people in its target group of ICT and gaming industry specialists.

TalentExplorer funds have been granted to 62 companies for a total of EUR 1.5 million.

Growth entrepreneurs applied for 237 residence permits

- There were 81 favorable opinions
- 151 unfavorable opinions
- The rest were duplicate applications, or their processing is in progress.
- The processing time for opinions is 11 days on average.
- The majority of the 2021 applications came from Iran, Russia, India, Turkey, and Pakistan.

THE PROMOTION OF TRAVEL PREPARED FOR THE POST- PANDEMIC PERIOD

VISIT FINLAND

- Visit Finland promotes international interest in Finland as a sustainable and attractive travel destination and furthers the sustainable international growth of companies, company groups, and destinations.
- Travel is a EUR 15.7 billion service industry in Finland and its share of GDP is already 2.7 percent. In 2019, there were 154,000 people employed in the travel industry.

The recovery rate of travel is slower in Finland than the average in Europe and the Nordic countries.

- According to preliminary data from Statistics Finland, foreign overnight stays fell to about two million and remained down by over 70 percent from 2019 pre-pandemic levels, which registered a record amount of 7.1 million foreign overnight stays.
- In the years before the pandemic, travel developed into Finland's key driver of service exports, as its share grew to roughly 16 percent. Travel grew faster in Finland during that period than in Europe and other Nordic countries.



GENERAL AND CURRENT INFORMATION ON BUSINESS FINLAND

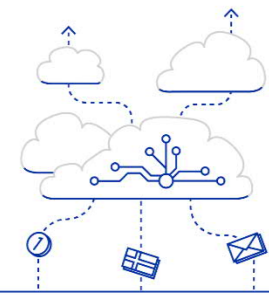
**BUSINESS
FINLAND**

WE GENERATE PROSPERITY
FOR FINLAND BY ACCELERATING
OUR CUSTOMERS' SUSTAINABLE
GROWTH GLOBALLY



FINLAND DEFINING THE FUTURE

Our strategy for the year 2025



--- PURPOSE ---

We generate prosperity for Finland by accelerating our customers' sustainable growth globally.



Economic Growth ▶



Sustainability ▶



Competitiveness ▶

CUSTOMER

Globally thriving companies

Developers of new sustainable solution and operations

Bold reformers of business

SOCIETY

Productive economy

Superpower in sustainable development

Attractive and resilient business landscape

--- VISION ---

We excel at developing and refining the best of Finnish potential and matching it with global opportunities. We create world-class success stories.

BUSINESS
FINLAND

Strategic priorities ▶



Value adding and proactive partner for our customers



Strong and proactive actor in society



Change agent for sustainable business



Best workplace for leading-edge expertise



Operationally excellent and agile organization

Values



With passion



Think big



All together



With sisu

OUR SERVICES

GUIDANCE FOR INTERNATIONALIZATION

Specialists in Finland and other countries guide Business Finland's customer companies in all phases of the internationalization process.

MARKET INFORMATION AND CONTACTS

We identify promising business opportunities on the market and help to find ideal partners and contacts.

FUNDING

We provide funding for research, R&D and business development, especially for SMEs. Large companies and research organizations can obtain funding for joint projects with SMEs.

PROGRAMS

Our programs offer Business Finland's internationalization and innovation funding services as packages that have been customized in accordance with the goals and target groups of each program.

ECOSYSTEMS

Ecosystems improve the ability of companies to innovate, grow and succeed in international competition. We provide SMEs, in particular, with tools for growth and larger companies, often acting as leading companies, with a boost to change.

CUSTOMER SATISFACTION BY SERVICE 2021



WE PROVIDE FUNDING FOR RESEARCH, DEVELOPMENT AND INNOVATION ACTIVITIES. Innovations are the most important source of growth, according to research.

WE SUPPORT EXPORTS AND INTERNATIONALIZATION.

Finland depends on exports. The internationalization of companies is important for the national economy.

WE ATTRACT INVESTMENTS TO FINLAND.

Foreign investments bring new customers and partnerships and improve the international competitiveness of companies.

WE PROMOTE TOURISM TO FINLAND.

Tourism is an important industry for our national economy. A positive country image also benefits other industries.



BUSINESS
FINLAND

IT'S TIME TO THINK BIG

BUSINESS FINLAND LEADS THE
WAY TO THE FUTURE

STAY IN TOUCH

[Subscribe to our newsletter](#)

EXPLORE OPPORTUNITIES

[Read more](#) about relevant themes in your sector

CONTACT US

Contact us through [our website](#)