



# Equality in Venture Capital Financing

Data from Icelandic VC funds

—  
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KPMG prepared this report in cooperation and consultation with the board of Framvís, the Icelandic Angel & Venture Capital Association.

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This report contains information from venture capital funds members of Framvís, the Icelandic Angel & Venture Capital Association.

KPMG is not responsible for updating the content and statistics of this report on account of events or information brought to light after its preparation.

This report is based on data generated by Framvís and members of the Board of Framvís. Furthermore, KPMG and Framvís gathered information from official reports and academic articles.

A particular survey on the reliability of the data on which this report is based hasn't been carried out, but it is assumed that these are trusted resources. Therefore, KPMG does not guarantee the accuracy or reliability of the information provided.

KPMG is not responsible for any decisions made on the basis of this report.



# Definitions

Terms	Definition
<b>Mixed Teams</b>	Teams or companies in which the VC funds have invested and include both male and female founders.
<b>Male Teams</b>	Teams or companies in which the VC funds have invested and include solely male founders.
<b>Female Teams</b>	Teams or companies in which the VC funds have invested and include solely female founders.
<b>VC funds</b>	References will be made to the VC funds in this report, and those are the Icelandic venture capital funds that granted access to their data to create this report. These include the funds Brunnur, Frumtak, Crowberry Capital, Nýsköpunarsjóður atvinnulífsins, Eyrir Venture Management, and Iðunn Framtakssjóður.

# Preface

## Equality in start-up investments in Iceland

This report represents an updated version of KPMG's previous report, which was initially prepared for Framvís in 2022. As such, this marks the second iteration of the report.

Framvís is aware of the gender differences in investments. This report aims to increase transparency on VC funds' investments and to open up discussions to make changes towards greater equality.

This analysis of equality in start-up investments in Iceland only covers two (2) genders, i.e., female and male. It is considered essential to include other genders in future reports. Equality is also a much broader concept than just gender equality. Therefore, the aim is to collect further data and information to increase equality in a broader context.



## Framvís – The Icelandic Angel & Venture Capital Association

Framvís is an association that works to strengthen the ecosystem of venture capital and private equity angels in Iceland. Framvís works closely with the public sector to formulate policies and promote quality practices among venture capitalists through education, information and data collection.

Further information on Framvís can be found here: [www.framvis.is](http://www.framvis.is)

## Venture Capital Funds

This report is based on data from the following venture capital funds:

FRUMTAK  
VENTURES



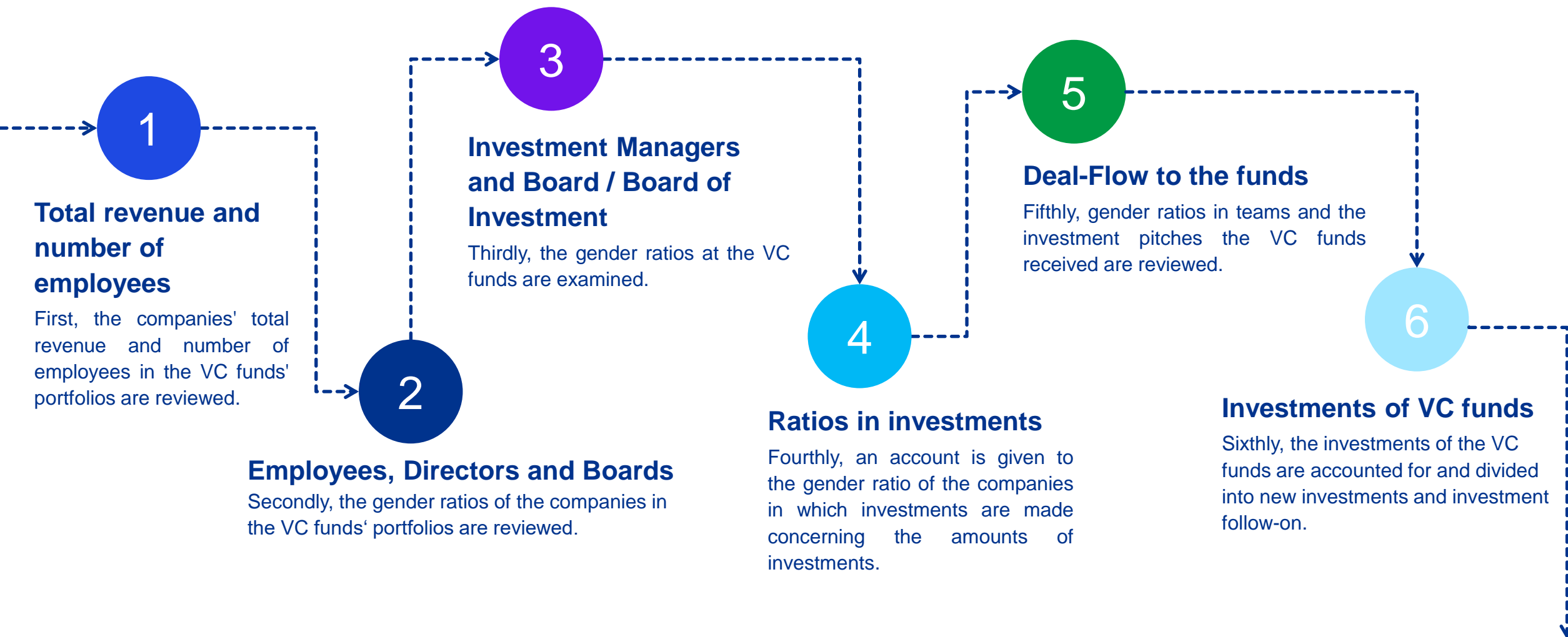
BRUNNUR

EYRIR VENTURE  
MANAGEMENT

Nýsköpunarsjóður

KVÍKA  
Eignastýring

# Table of Contents



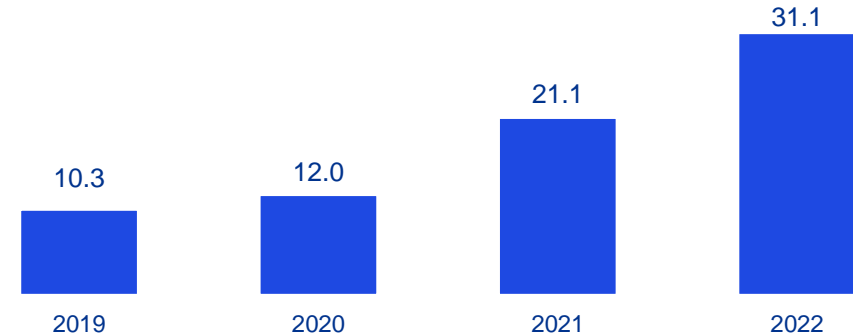
# Total revenue and number of employees

The histograms to the right represent the combined total revenue and number of employees across the companies within the VC funds' portfolios over the period spanning 2019-2022.

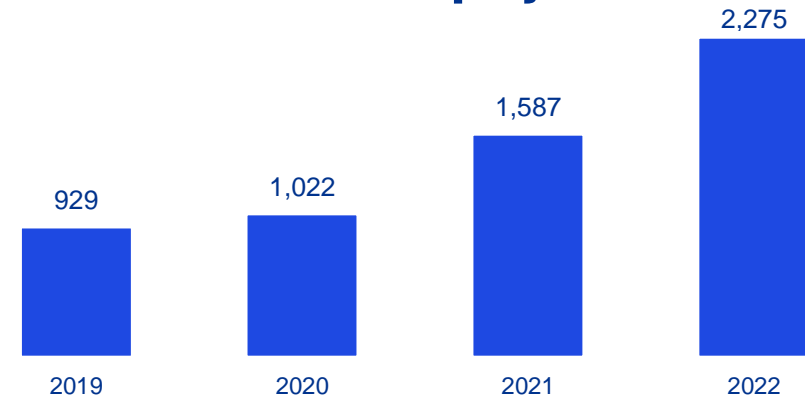
Notably, the data indicates a significant surge in total revenue, which more than tripled over the course of the period, reaching over 31 billion ISK in 2022. It should be noted that the VC funds primarily invest in companies that develop products and solutions based on Icelandic ingenuity intended for export and sale in foreign markets. Hence, the majority of this revenue is foreign income.

Simultaneously, the number of employees across the portfolio companies also more than doubled, reaching 2,275 employees by the end of 2022. It is important to note that this data is based on the number of employees of companies within the VC funds' portfolios at the end of the year and does not include employees at companies that the VC funds sold during the year.

## Total revenue (billions - ISK)

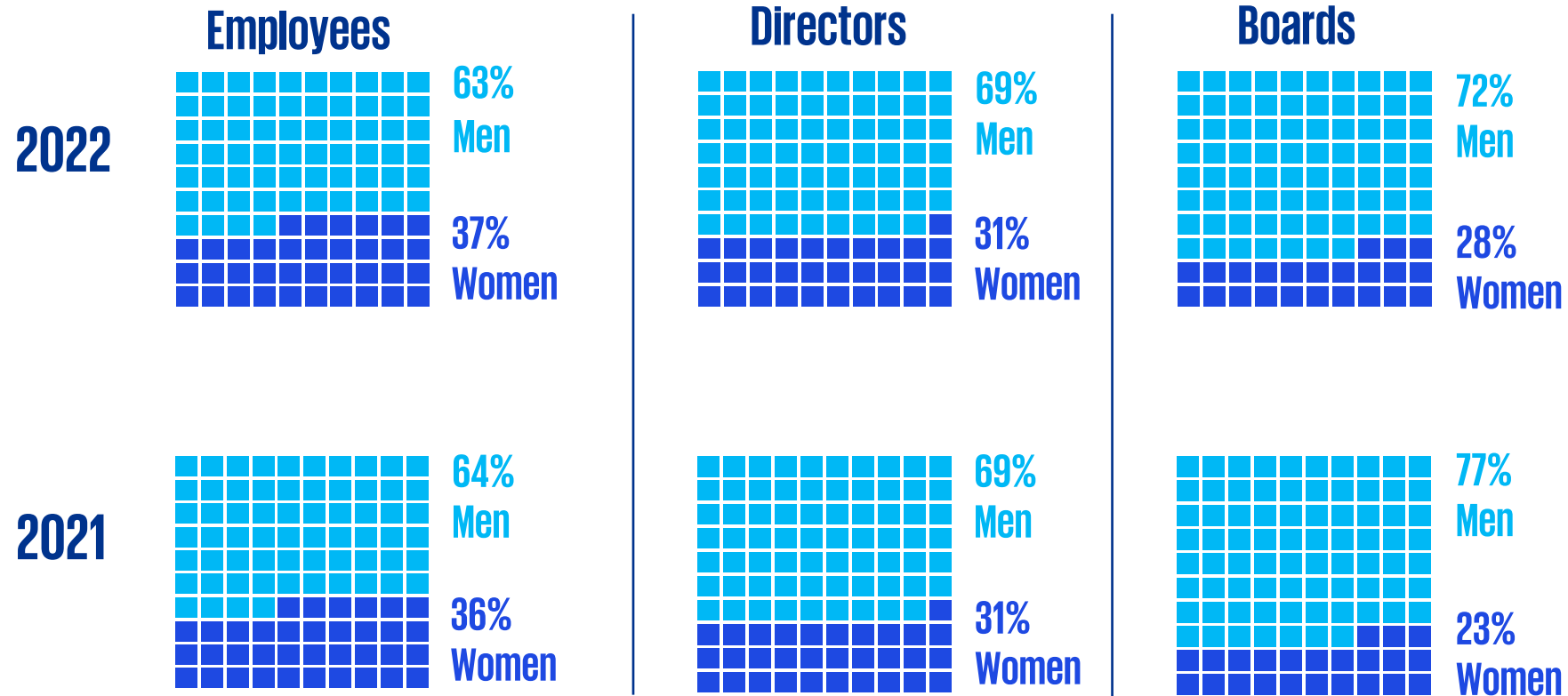


## Number of employees



# Employees, Directors and Boards

As previously noted, the number of employees across the VC funds' portfolio companies has more than doubled between 2019 and 2022. The following data outlines the gender distribution of the portfolio companies' employees, directors, and boards in 2022.

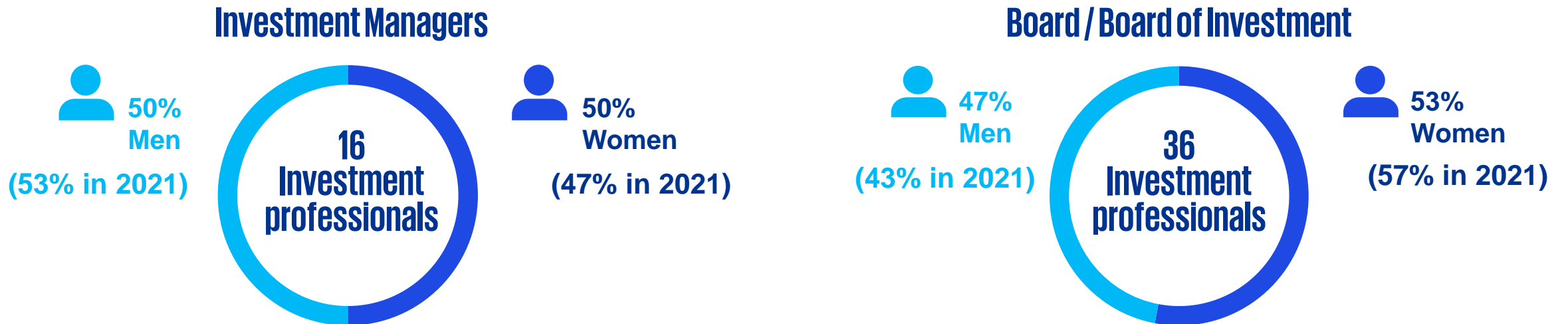


# Investment Managers and Board / Board of Investment

Displayed below are the gender ratios for the VC funds themselves, i.e., on the one hand among the investment managers and the other among the Boards or Boards of Investment based on the year 2022.

The investment managers consist of the daily employees of the VC funds who analyze and make decisions on investment opportunities. Investment decisions made by the investment managers are subsequently subject to approval either by the Board of Directors or the Board of Investments, depending on the specific VC fund's internal structure.

The data reflects a relatively balanced gender distribution across the VC funds, with women comprising a significant portion of those involved in making final investment decisions.





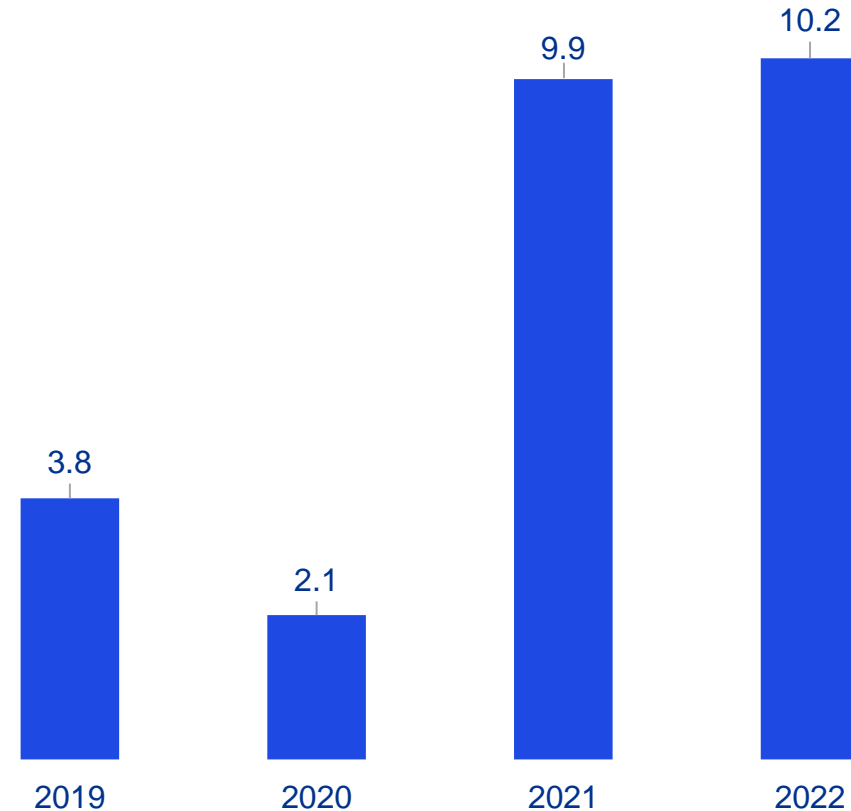
# Venture Capital Funds Investments

The figures on the right illustrate the total investments made by the VC funds between the years 2019 and 2022. The total number of VC fund investments in 2022 was 48.

In 2022, the funds invested approximately 10.2 billion ISK in innovative companies, out of which roughly 6.2 billion ISK were allocated towards new investments, i.e., companies in which the funds did not already have shares or newly established businesses.

Notably, the 2022 investment figures were comparable to those of the previous year, with approximately 6.2 billion ISK being invested in new ventures and reinvestments amounting to approximately 300 million ISK less than the prior year.

## Investments (billions – ISK)



# Ratios by Company Founders

The following chart displays the gender distribution among the founders of companies in which the VC funds invested between the years 2019 and 2022.

Notably, there was a marked increase in investment in companies founded by women, rising from 13% to 21%.

	Female teams	Mixed teams	Male teams
2019	14%	24%	62%
2020	15%	26%	59%
2021	13%	25%	62%
2022	21%	21%	58%

# Ratios depending on the amount of investments

Here you can see how the investments of VC funds are divided proportionally by teams.

The presented data illustrate various vital aspects, including that out of the total investment of 10.2 billion ISK in 2022, a notable 68% of the capital was allocated to male teams. Additionally, the proportion of investments in mixed teams demonstrated an upward trend, rising from 17% in 2019 to 53% in 2021 before experiencing a decline to 25% in 2022.

The data reveals that investments in male teams declined from 73% in 2019 to 45% in 2021. However, they have since demonstrated an upward trend. On the other hand, there was an upsurge in investments in female teams from 2021, albeit not reaching the previous peak attained in 2020.

	Female teams	Mixed teams	Male teams
2019	11%	17%	73%
2020	12%	27%	60%
2021	2%	53%	45%
2022	7%	25%	68%

# Ratios based on deal-flow to funds

The statistics present data on the deal flow received by the funds categorized according to the gender ratio of the teams.

The data indicates that there has been a rise in the deal flow from female-led teams, while a decrease has been observed in the deal flow from male-led teams. Notably, mixed teams' deal-flow percentage remained relatively stable between 2021 and 2022.

In 2021, the VC funds received significantly less deal-flow from female-led teams, in that same year the female-led teams received only 2% of the total amount of investments made by the VC funds. For other years, the share of the female-led teams in deal-flow has been higher as well as their share in the VC funds total investments.

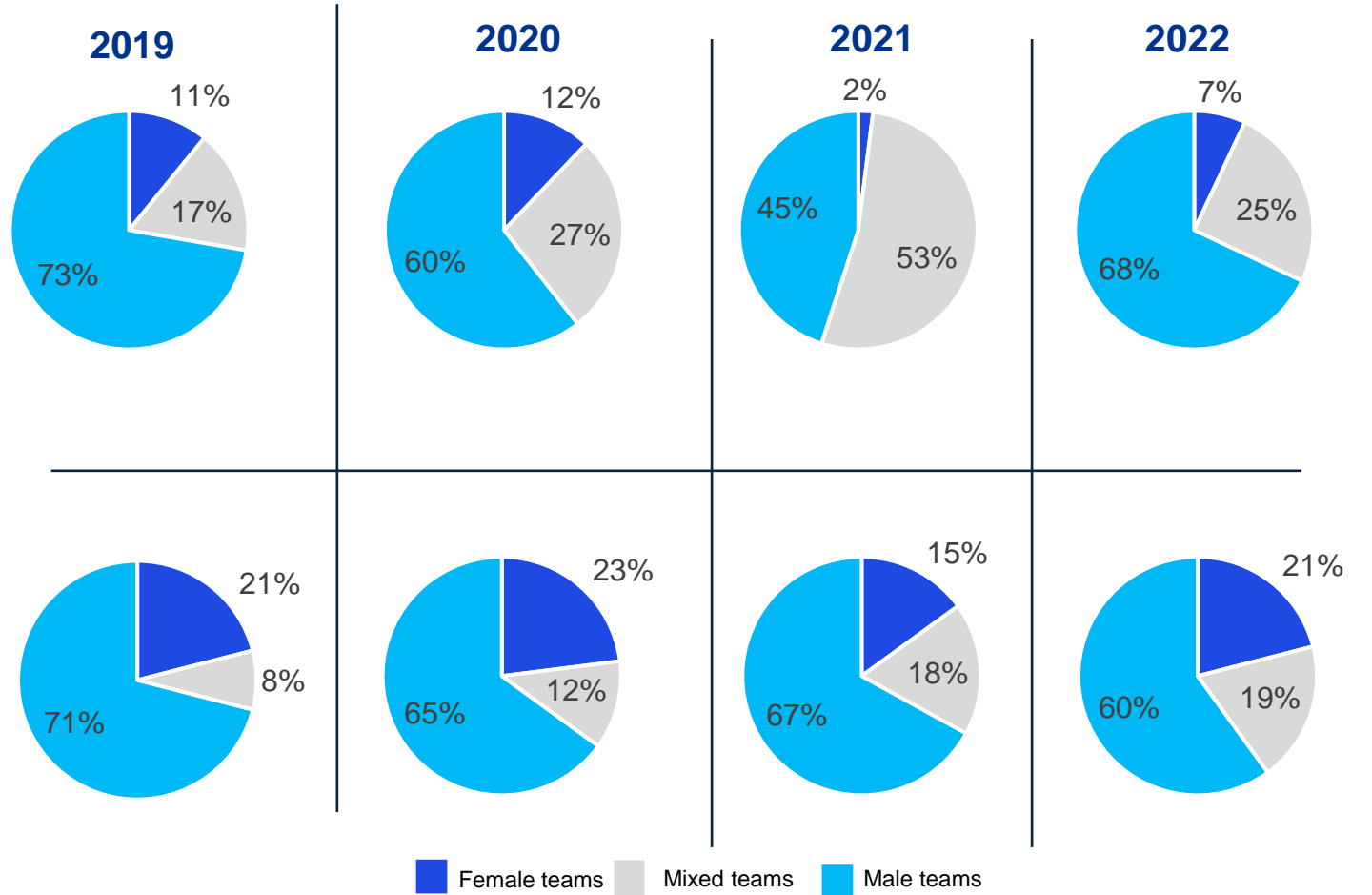
	Female teams	Mixed teams	Male teams
2019	21%	8%	71%
2020	23%	12%	65%
2021	15%	18%	67%
2022	21%	19%	60%

# Comparison

Presented to the right is a comparison between the total investment made by VC funds and the deal flow they received.

In 2022, female teams only received 7% of the funding despite being accounted for 21% of the deal flow. In contrast, mixed teams accounted for 19% of the deal flow and were allocated 25% of the funding. Male teams contributed to 60% of the deal flow in 2022 and were allocated 68% of the total funding.

**Total Investment**



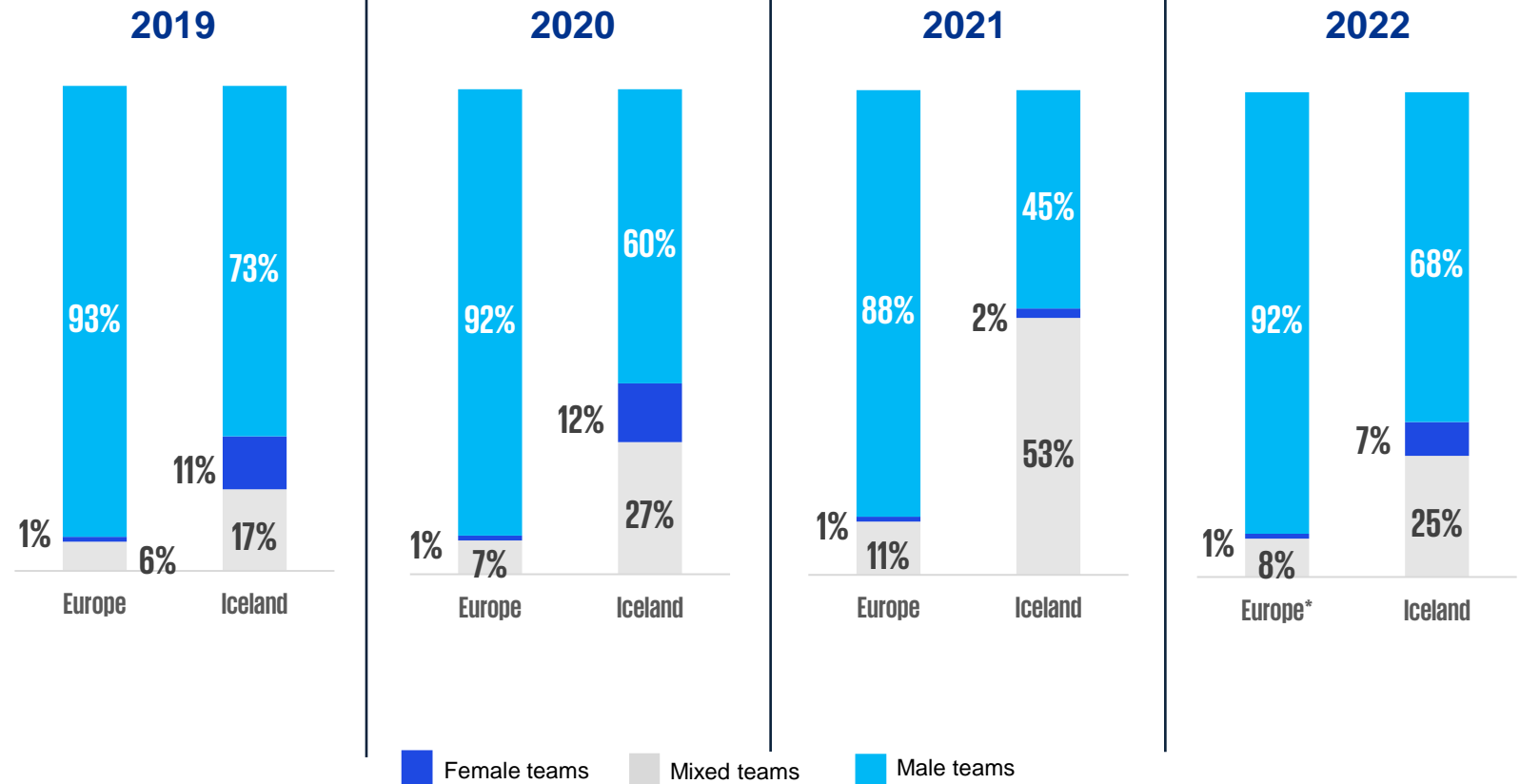
**Deal-Flow**

Female teams Mixed teams Male teams

# Comparison with Europe

The chart on the right displays a comparison of the statistics that can be found in the aforementioned report and the statistics compiled by the VC funds and presented in this report.

## Distribution of VC funds investments compared to Europe



Source: Unconventional Ventures – The Funding Report. [THE STARTUP FUNDING REPORT \(unconventional.vc\)](https://unconventional.vc)

\*2022 H1



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