



*Insight report:*  
***Impact Startups***

We support Impact Startups - these are new ventures committed to making a positive social and environmental impact, alongside financial returns. This report shares new insights about the Impact Startup community in Denmark, Sweden, Norway and Finland. Read on and be inspired.



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A woman with light-colored hair tied back, wearing a black sleeveless top, is pointing her right hand towards a whiteboard. The whiteboard has some Arabic text written on it in red and black. The background is slightly blurred, showing what appears to be an office or meeting room setting.

## *Big challenges require new solutions*

The world needs new thinking and innovative solutions in order to meet the challenges we face on a global level. The 17 UN Goals for Sustainable Development (SDG) set the direction and ambitions for the changes we need to make.

Impact driven entrepreneurs represent an important part in driving this change. They are creative and courageous and their determination to make the world a better place is instrumental for reaching the SDG's.

At Danske Bank, we wish to leverage our role as a leading financial partner and team up with likeminded to boost Nordic impact start-ups working to make a difference. We see this as a part of how we can support a sustainable development in the Nordics and beyond.

### **Partnering up to support impact startups**

We have a long history of helping companies grow and working with start-ups is at the core of our business. Our experience from our digital platform TheHub has shown that focusing on the ecosystem for entrepreneurs is a winning formula for all participants.

Using this experience focusing on impact startups is a natural extension of our ambition and a way for us to support the SDG's. Purpose driven entrepreneurs face specific challenges in order to scale their business and together with partners, we can help them increase their impact.

With this report, we want to start sharing data and insights about the Nordic impact start-up scene. A scene that is growing fast and with many innovative companies already making a difference.

Our hope is that the Nordics can become an epicentre for sustainable development and that we together with partners can help facilitate that development.

*Jeanette Fangel Løgstrup*  
Head of Group Societal Impact and  
Sustainability at Danske Bank

*Klavs Hjort*  
Head of Growth and Impact at Danske Bank

# About this report and the data

This is the first time that a mapping has been carried out of Nordic startup companies that are addressing the United Nations' Sustainable Development Goals – the SDGs. We call them “Impact Startups” because they show potential for positive social and environmental impact, alongside their potential for financial returns.

Today, many different terms are used to describe companies that innovate around sustainability: Social Enterprises, SDG Businesses, Impact Businesses, and CSR or Responsible Businesses, to name but a few. In parallel, companies communicate their commitment to a sustainable society by applying different certifications and standards such as B-Corp, ISO 26000, GRI, UNGC signatory, etc.

In this report we have decided to call such companies Impact Startups, but this does not exclude other terms and definitions of sustainable business and corporate standards. By “Impact” we mean companies that show the potential to contribute towards at least one of the SDGs or their underlying targets. “Startup” is used to describe a culture and mindset of innovation applied to a commercial business idea to fulfill market needs.

**We have identified 306 Impact Startups from TheHub**  
All Impact Startups in this research have been sourced from TheHub ([www.thenordichub.com](http://www.thenordichub.com)). TheHub is a free-of-charge, online community platform for Nordic, high-growth startups which currently hosts close to 4,000 new ventures.

TheHub allows startups to classify their business area according to a number of pre-defined categories such as Impact Tech, Healthcare, Education, IT & Software, Service, etc. The research for this report is not limited to the Impact Tech category, but takes in every category on TheHub.

Impact Startups in TheHub have been classified through self-reported definitions of purpose, business model and

product offering, weighed against the 17 SDGs and their 169 underlying targets. For the assessment process and analysis, we supplemented data available on TheHub with data from other relevant websites and public databases.

Startups' own claims and communications about their sustainability profile and impact – or any lack thereof, for that matter – were not used for selecting Impact Startups.

This means, for example, that if a startup uses “green” or “sustainable impact” to describe its business, it may still be excluded from the list of Impact Startups, since such claims can be made without the business and its products actually delivering against a specific SDG or its underlying targets.

By the same token, we have also included some companies on the Impact Startup list, even if they do not communicate about sustainability but do offer a business model or product that contributes towards achieving one or more of the SDGs. To give an example, this is the case for some of the Impact Startups that enable the sharing economy. They help deliver SDG number 12 (Responsible Consumption and Production), even if they – which is often the case – focus their communication entirely around the economic benefits and usability of their services, rather than the potential sustainability impact.

The evaluation is purely qualitative and based on startups' potential to help deliver on the SDGs. We have not tried to quantify current or future impact, and we make no attempt to rank the quantitative impact of one individual solution over another.

The Sustainable Development Goals (SDGs) are set by the United Nations and were adopted by 193 nations – including the Nordic countries – in 2015. There are 17 interconnected goals and 169 associated targets covering every dimension of economic, environmental and social sustainability, such as poverty, hunger, health, education, climate change, gender equality, water, sanitation, energy, urbanisation, environment and social justice.



## Financial data about Impact Startups is scarce and fragmented

Across the Nordic countries, rules and requirements vary as to how smaller enterprises and startups must issue annual reports. Consequently, comparable public data on financial performance and organisation is limited. However, where available we have analysed turnover and profit/loss data from 2015 and 2016, in addition to information about employee numbers and year of establishment.

## Geographical distribution may not be representative of the entire market.

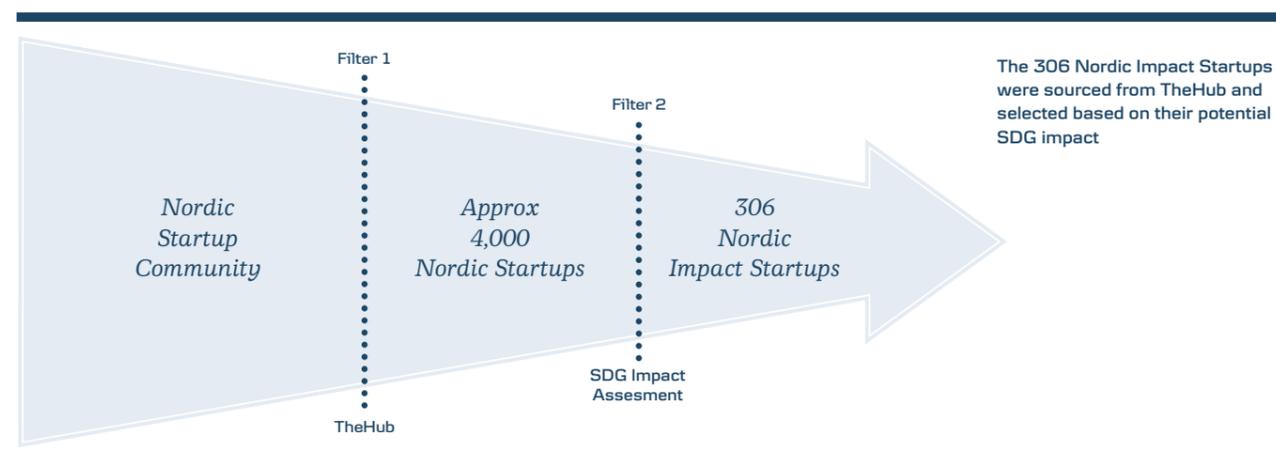
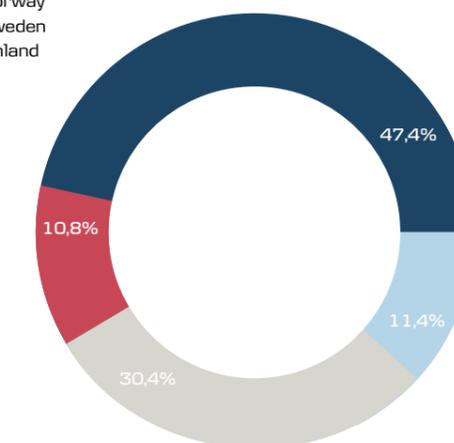
TheHub was launched first in Denmark (Dec. 2015) and later in Sweden (Nov. 2016), Norway (Nov. 2016) and Finland (Mar. 2017). Consequently, there is an uneven geographical representation of startups on TheHub. This is also reflected in the distribution of Impact Startups. Almost half of the companies surveyed (48%) are from Denmark, while 30% are from Norway, 11% from Sweden, and 11% are from Finland. The sample of Impact Startups featured in this report must therefore not be confused with an exhaustive survey of the entire Impact Startup market.

The 306 Impact Startups included in this report were sourced from TheHub during December 2017 and January 2018. Data analysis and writing of the report was carried out from February to April 2018.

## Nordic Impact Startups split by country

Total number of Impact Startup companies is 306

- Denmark
- Norway
- Sweden
- Finland





# Key findings

1.

## One third of Nordic Impact Startups are addressing responsible consumption and production (SDG12)

The most frequently addressed SDG is number 12 (Responsible Consumption and Production). Out of 306 Impact Startups, 33% address SDG12. Impact Startups typically address SDG12 by focusing their business on the sharing economy and/or sustainable solutions for fashion, private homes and food.

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2.

## One in four Nordic Impact Startups addresses health and well-being (SDG3)

Second most frequently addressed SDG is number 3 (Health and Well-being). Out of 306 Impact Startups, 25% address SDG3. Impact Startups typically address SDG3 by focusing their business on sustainable and digital solutions that improve mental health and the health and well-being of the older generation.

Page 12-13

3.

## Nordic Impact Startups address some – but not all – of the most challenging Sustainable Development Goals

SDG 12 (Responsible Consumption and Production) is one of the main challenges across the Nordic region and, as you might expect, this is where most of the Impact Startups focus their business. In contrast, even though the Nordic countries also face challenges in terms of SDG14 (Life Below Water) and SDG15 (Life On Land), very few Impact Startups are developing solutions that will help achieve these goals.

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4.

## Nordic Impact Startups are addressing some – but not all – of the biggest market opportunities related to the Sustainable Development Goals

Certain clusters of Nordic Impact Startups are pursuing commercial opportunities related to food waste, energy efficiency, renewables and disease management – all of which are considered to be amongst the biggest SDG-related business opportunities. Other notable market opportunities, such as forest eco-system services, are not addressed at all by this sample of Nordic Impact Startups.

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5.

## The Nordic Impact Startup community is made up of small, early-stage companies

Only 13% of Impact Startups have more than 10 employees. The typical Impact Startup employs 3-5 people.

Page 18-19

6.

## Nordic Impact Startups are showing top-line growth

The average growth in turnover for a sample of Impact Startups from 2015 to 2016 was 78%.

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7.

## More Impact Startups are growing than shrinking

From 2015 to 2016, 72% of companies represented in the sample reported positive growth in turnover, 8% showed flat development, and 20% had negative growth.

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8.

## Impact Startups are struggling to make a profit

Out of the sample of Impact Startups, 74% reported a loss in 2016. The accumulated profitability of Impact Startups remains negative, even as businesses mature and pass the 10-year mark.

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# Nordic Impact Startups typically address consumers' lifestyle choices and personal well-being

The SDGs represent a wide and diverse range of market needs, from energy solutions to food production and educational tools. Even if the SDGs are interconnected, it is unlikely that any business model can address all 17 SDGs in full. To find out where Impact Startups are typically focusing their entrepreneurial energy, we have paired each Impact Startup's business model and product offering with the most relevant SDG(s).

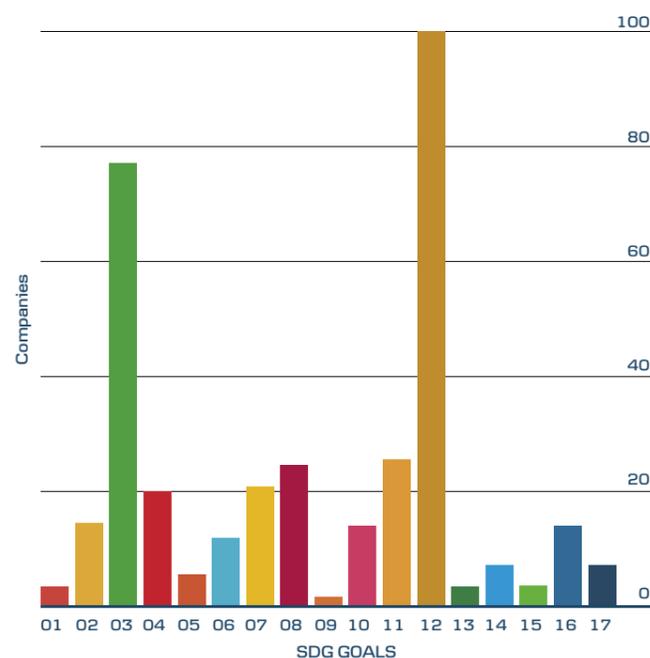
One in three of the 306 Impact Startups included in this report is addressing SDG12 (Responsible Consumption and Production).

SDG12 requires sustainable business practices and consumer behaviour that protects natural resources, makes responsible use of materials, and reduces or eliminates waste.

Looking at the Impact Startups that address SDG12, we recognise four clusters of Impact Startups that are developing comparable solutions:

## Companies split by SDGs

Total number of Impact Startup companies is 306



### Sharing is caring

The sharing economy is a logical way to optimise resource use, and Nordic Impact Startups are responding to this in their business models. To give an example, Leieting (Norway) has created a platform where consumers can rent things from each other - everything from camping gear to garden tools. In this way, Leieting is prioritising access over ownership for things that consumers do not typically need on a daily basis. In another market area, GreenMobility (Denmark) offers an electric vehicle car-sharing service that can reduce the number of parked cars in the streets while lowering CO<sub>2</sub> emissions from personal transport. The sharing economy is also about reducing waste. Proownedcycling (Norway) markets lightly used, pre-owned, professional cycling clothes that would otherwise have gone to waste.

### Sustainability is the new fashion

To make full use of the resources required to make clothes and other fashion items, Nordic innovators are exploring business opportunities that promote slow, sustainable fashion. One challenge for the fast fashion industry is that clothes are thrown out even if they are still in perfect condition. To prevent that, TPH Marketplace AB (Sweden) is making it both cool and simple to buy second-hand fashion on their website, tph.co. For its part, by Zadaa (Finland) is addressing the well-known problem of finding fashion in the right size by creating online communities of people that are similar in size and share style preferences. Meanwhile, Organic Basic (Denmark) is making sustainable alternatives to modern lifestyle brands affordable and accessible on a global scale.

### Smart homes

Nordic consumers are becoming increasingly aware that smart solutions can save money, improve the quality of homes and buildings, and benefit the environment. The Impact Startup community is pursuing business opportunities arising from this trend. For example, Flow Loop (Denmark) has developed a plug-and-play solution which constantly micro-filters, UV-purifies and recirculates shower water. This can save up to 85% of the water and energy required, while providing better flow than a standard shower. Meanwhile, the issue of indoor air quality



and its implications for health is addressed by Sensohive (Denmark) that offers a wireless sensor-system for managing air humidity and temperature.

While most solutions target the consumer market, Fourdeg (Finland) is a B2B provider of smart systems for buildings and district heating networks. It offers improved indoor comfort through stable, individual heating solutions, while reducing energy costs with lower consumption and demand-side management.

### Conscious food

Between one-third and one-half of all food produced either goes bad or is wasted. Nordic Impact Startups are developing new business models and services to combat this phenomenon. An example is the food-saver app, Akla (Sweden). It offers food outlets the opportunity to reduce food waste and increase profit, while consumers can browse the

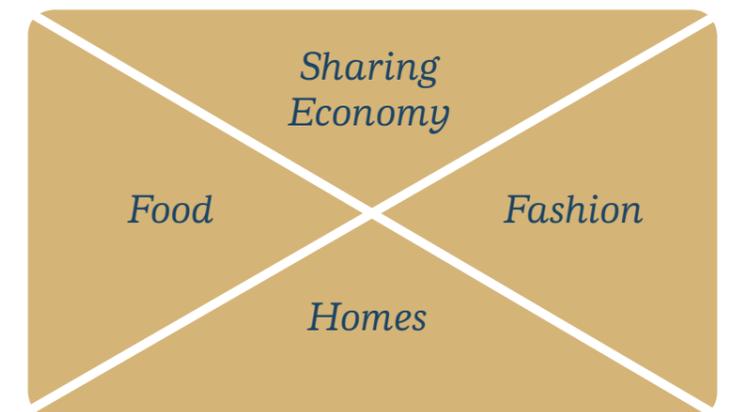
Akla app to find great offers nearby at a tempting 50% discount. Although Akla is from Sweden, it works primarily in the Gulf States, where levels of food waste are amongst the highest in the world. On a similar note, an app from ResQ Club (Finland) helps consumers find inexpensive restaurant food that would otherwise go to waste.

Focusing on circular business opportunities, Gruten (Norway) reuses leftover coffee grounds to make other products such as soap and fertilizers, transforming waste into a valuable resource.

The trend for "conscious food" is also about exploring new, sustainable sources of protein. Nordic Food Supplements, NFS (Norway) produces mealworms for human food and animal feed, claiming a significant reduction in the resources required as compared with other protein sources such as beef.

## SDG12 Clusters

We have identified four clusters of Impact Startups that focus on SDG12. They are: Sharing Economy, Food, Homes and Fashion.





The second most frequently addressed SDG is no. 3: Good Health and Well-being. Of the 306 Nordic Impact Startups surveyed we found that one in four is addressing SDG3

**SDG3 is about fighting health risks and disease – both infectious and non-communicable – and promoting children's health and mental health with appropriate funding and systems.**

**Amongst Nordic Impact Startup solutions we observe three clusters contributing to this SDG as described below:**

**Mental health**

Given that public healthcare systems in the Nordic countries are comparatively well financed, with capacity to satisfy market needs for physical treatment of communicable diseases, it seems logical that many Nordic Impact Startups should choose to focus on mental health. To give an example, Minos (Norway) is working to improve mental health for children and adolescents with an online, cloud-based tool called Okei. Okei helps staff at schools and kindergartens to identify children and youngsters who are suffering from bullying or difficult circumstances at home. Meanwhile, PauseAble (Denmark) offers consumers apps to help them relax, relieve stress and regain focus, while in the same vein, Steps (Denmark) is creating apps and chatbots to help people overcome social anxiety.

**Smart health**

Nordic Impact Startups also seem to have a strong focus on creating digital tools which increase the reach and scale of health solutions. For example, Tiimo (Denmark) offers an app for smartwatches and smartphones, specifically designed to help children with ADHD, autism and brain damage to live their everyday lives. Likewise, Braive (Norway) provides users with instant access to personalised treatment programs that improve mental well-being and increase personal performance and motivation. For its part, Diske (Finland) is developing digital solutions for analysing big health data with the potential for implementing automated lifestyle guidance.

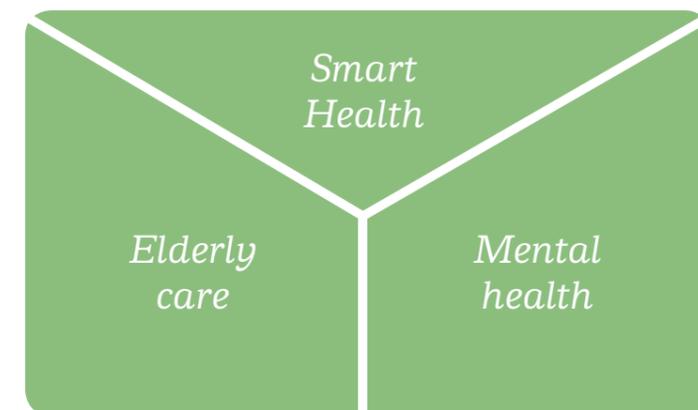


**Elderly care**

With the population in the Nordic countries aging, Impact Startups seem to be focusing on solutions that specifically target the older generation's health challenges. For instance, Next Step Dynamics (Sweden) claims that an elderly person suffers a fall every two minutes in Sweden, causing pain, misery and SEK 24 billion (\$5 billion) in costs to society every year. In response to this, Next Step Dynamics helps prevent falls by analysing elderly people's balance, strength and sleep patterns using a smart wearable device. In the same area, RoomMate (Norway) offers solutions and products for intelligent, anonymous supervision of residents in nursing homes, assisted living facilities and private homes. Alarms are automatically raised in a number of situations such as if a person falls.

**SDG3 Clusters**

We have identified three clusters of Impact Startups that focus on SDG3. They are: Smart health, elderly care and mental health.





# Are Nordic Impact Startups answering societal challenges as defined by the SDGs?

The short answer is yes – but only for some of the SDG challenges. The Nordic countries are well recognised as global leaders in terms of SDG implementation. Even so, shortcomings remain, and no country has met all targets yet. Individual countries’ performance across all 17 SDGs has been assessed by the UN Sustainable Development Solutions Network (SDSN) and Bertelsmann Stiftung, an independent foundation based in Germany. Results are presented in their SDG Index & Dashboards ([www.sdgindex.org](http://www.sdgindex.org)).

We have mapped the SDG focus of Nordic Impact Startups against the performance of Nordic countries as defined by the SDG Index from SDSN and Bertelsmann Stiftung. Amongst the SDGs with the lowest overall performance in the Nordic countries (SDG numbers 12, 13, 14 and 15) it is SDG12 (Responsible Consumption and Production), which is addressed most frequently by Nordic Impact Startups. The Nordic countries rank low on SDG12, primarily due to high levels of material consumption and waste production in the Nordic region. This calls, among other things, for solutions

that decouple economic performance from consumption, and encourage a circular economy ([www.norden.org](http://www.norden.org)). As highlighted in a previous section of this report, these challenges are high on the agenda amongst Impact Startups, with many offering business solutions that provide opportunities for reducing waste, and which facilitate the sharing economy and promote a sustainable lifestyle.

However, few Impact Startups are addressing the low-performing areas of SDG14 (Life Below Water) and SDG15 (Life On Land). These two SDGs aim to achieve systemic changes in ecosystem conservation, along with new ways of using natural resources from land and sea. The relatively small number of Impact Startups acting in these areas may be a consequence of the complexity of the challenges, along with the investment levels required to develop impactful solutions. Nevertheless, one of the biggest Impact Startups, Stingray Marine Solutions (Norway), is indeed working on solutions for SDG14.

Few Impact Startups are classified as offering solutions for SDG13 (Climate Change), where the challenge is to move from a high-carbon to a low-carbon society, including a change in primary energy systems. However, this does not mean that the Impact Startups are completely ignoring opportunities in this area, and there does seem to be an emerging interest in entering the market for renewables and smart management of energy systems (SDG7, Affordable and Clean Energy) which will, in turn, impact SDG13 (Climate Action). The second-most-popular SDG market for Impact Startups

is SDG3 (Health and Well-being) which is already positively ranked “green” for all Nordic countries. The disconnect between Nordic societal need (in SDG terms) and the chosen focus of Impact Startups shows that they are trying to fulfill Nordic consumer needs for ever-better mental health, well-being and overall quality of life, irrespective of the fact that the Nordic countries are already world leaders in these areas according to the SDG index.

Countries' SDG performance according to [www.sdgindex.org](http://www.sdgindex.org) and number of Impact Startup solutions for each SDG. Colours indicate countries' performance in the SDG Index: green denotes that all targets are met. Yellow and red indicate increasing distance from SDG achievement.

SDG Index	1 PEOPLE	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR GOALS	Global Rank 1-149
Denmark	2	6	34	11	4	6	6	15	1	9	10	61	2	1	1	8	7	2
Finland	0	0	8	3	0	3	2	4	1	2	1	9	0	0	1	2	1	4
Norway	0	5	21	6	1	2	8	4	1	4	10	27	1	6	2	4	0	3
Sweden	0	0	12	2	0	1	3	0	0	1	4	11	0	0	2	0	0	1

SDG Index & Dashboards, UN Sustainable Development Solutions Network and Bertelsmann Stiftung.

# Are Nordic Impact Startups pursuing the biggest SDG-related business opportunities?



Yes. Impact Startups are indeed pursuing some of the biggest SDG-related market opportunities. However, they are generally focusing on solutions that can be brought to market quickly with relatively low levels of investment, while some market opportunities are not pursued at all.

The Business and Sustainable Development Commission published its report, “Better Business, Better World” in January 2017. It claims that the process of achieving the SDGs represents market opportunities reaching \$12 trillion in four economic systems: agriculture, cities, energy and materials, and health and well-being. (<http://report.businesscommission.org>)

We have charted the Impact Startups' SDG focus against the biggest market opportunities for SDG implementation as defined by the Commission. The analysis compares Impact Startup solutions for the most relevant SDGs being SDG2 (Zero Hunger), SDG3 (Health and Well-being), SDG7 (Affordable and Clean Energy), SDG11 (Sustainable Cities) and SDG12 (Responsible Consumption and Production) with the four economic systems and 60 market opportunities identified by the Commission.

Given that the market definitions suggested by the Commission are not fully aligned with the SDG indicators, one should be careful only to look at the big picture in this analysis. Nevertheless, we do recognise clusters of Impact Startups that are pursuing some of the big market opportunities identified by the Commission. The four strongest market clusters in terms of number of Impact Startups are:

## Food and Agriculture – Reducing food waste in the value chain

One cluster of Impact Startups is applying circular thinking and smart solutions to reducing food waste. One example is

Too Good To Go (Denmark), which has developed an app that helps restaurants and food businesses sell surplus food to consumers at highly discounted rates.

## Cities – Energy efficiency in buildings

In the EU, buildings are responsible for approximately 40% of energy consumption and 36% of CO<sub>2</sub> emissions (source: <https://ec.europa.eu>). Impact Startup NordicWatts (Denmark) has developed a solution to help bring those figures down. NordicWatts measures energy consumption in large-scale equipment such as air compressors, ovens, heaters, air conditioning, etc., and identifies potential cost savings. Hand-held, plug-and-play devices collect data that can then be used to create a more energy-efficient environment.

## Energy and Materials – Expansion of renewables

With the cost of renewable energy approaching or even undercutting that of energy produced from oil and gas, there is growing interest in the market for renewables among Impact Startups. One example is Norsetek (Norway) which has designed a new type of large wind turbine that they claim will reduce the cost of onshore wind energy by up to 15% (mainly by CAPEX reduction).

## Health and Wellbeing – Better disease management

Monitoring of patients can be a cost-effective way to alert hospitals of problems before they worsen. GlucoSet (Norway) has developed a disposable glucose sensor solution, which promises better glucose control resulting in significantly reduced costs and improved patient outcomes. Meanwhile Miiskin (Denmark) offers mobile solutions for easy self-monitoring of mole changes for people with skin cancer and melanoma concerns.

## Impact Startups' solutions related to the biggest market opportunities.

The Business and Sustainable Development Commission reports that the SDGs represent market opportunities reaching \$12 trillion in four economic systems and 60 market opportunities (<http://report.businesscommission.org>). We have charted the Impact Startups' SDG focus in SDG 2,3,7,11 and 12 against these market opportunities. The four strongest market clusters in terms of number of Impact Startups are marked in green.

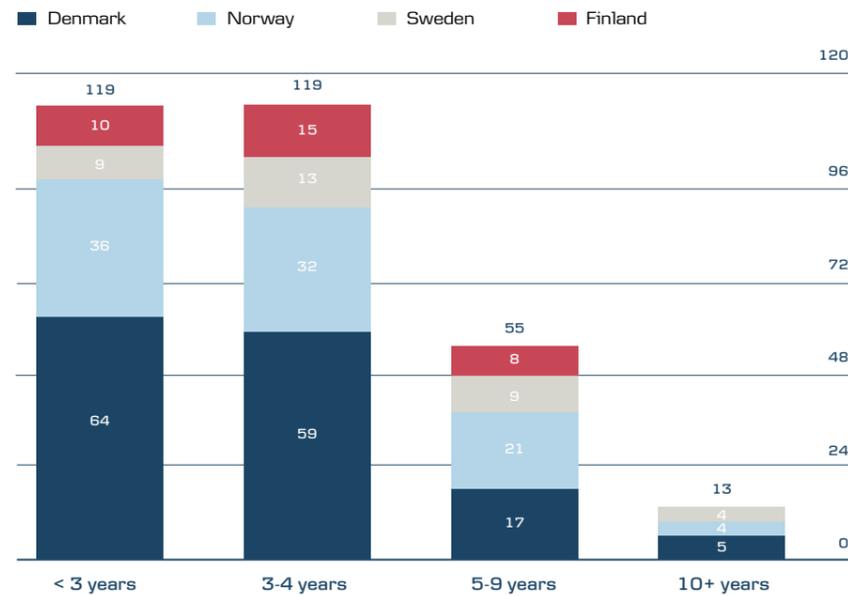
	Food and Agriculture	# of Impact Startups	Cities	# of Impact Startups	Energy and Materials	# of Impact Startups	Health and Well-being	# of Impact Startups
1	Reducing food waste in value chain	6	Affordable housing	1	Circular models-automotive		Risk pooling	
2	Forrest ecosystem services		Energy efficiency - buildings	7	Expansion of renewables	12	Remote patient monitoring	7
3	Low-income food markets		Electric and hybrid vehicles	5	Circular models-appliances		Telehealth	4
4	Reducing consumer food waste	1	Public transport in urban areas	2	Circular models-electronics		Advanced genomics	3
5	Product reformulation	1	Car sharing	6	Energy efficiency-non-energy intensive	3	Activity services	4
6	Technology in large-scale farms	1	Road safety equipment		Energy storage systems		Detection of counterfeit drugs	
7	Dietary switch	3	Autonomous vehicles	1	Resource recovery	8	Tobacco control	1
8	Sustainable aquaculture	1	ICE vehicles fuel efficiency		End-use steel efficiency		Weight management programs	3
9	Technology in smallholder farms		Building resilient cities	3	Energy efficiency- energy intensive industries		Better disease management	20
10	Micro-irrigation		Municipal water leakage	1	Carbon capture and storage		Electronic medical records	2
11	Restoring degraded land	1	Cultural tourism	2	Energy access	3	Better maternal and child health	2
12	Reducing packaging waste		Smart metering	7	Green chemicals		Healthcare training	4
13	Cattle intensification		Water and sanitation infrastructure	3	Additive manufacturing		Low cost surgery	
14	Urban agriculture	4	Office sharing	2	Local content in extractives			
15			Timber buildings		Shared infrastructure	1		
16			Durable and modular buildings	1	Mine rehabilitation			
17					Grid interconnection	1		

# Impact Startups are typically young and small

Impact Startups are typically small, entrepreneurial, newly emerged and fast-growing businesses. Most are less than five years old and have less than six employees.

## Impact Startups age by country

Total number of Impact Startups is 306

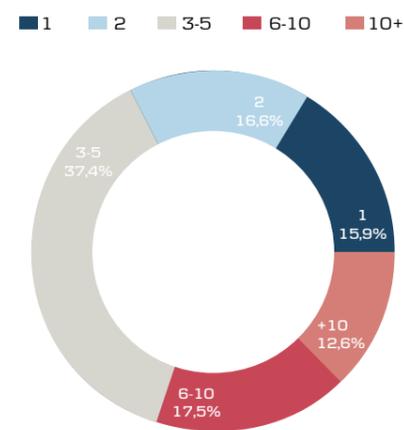


The typical size of Impact Startups in terms of turnover equals their young age and few employees. The vast

majority of Impact Startups had a turnover at less than EUR 1m in 2016. The Top3 Impact Startups in the sample

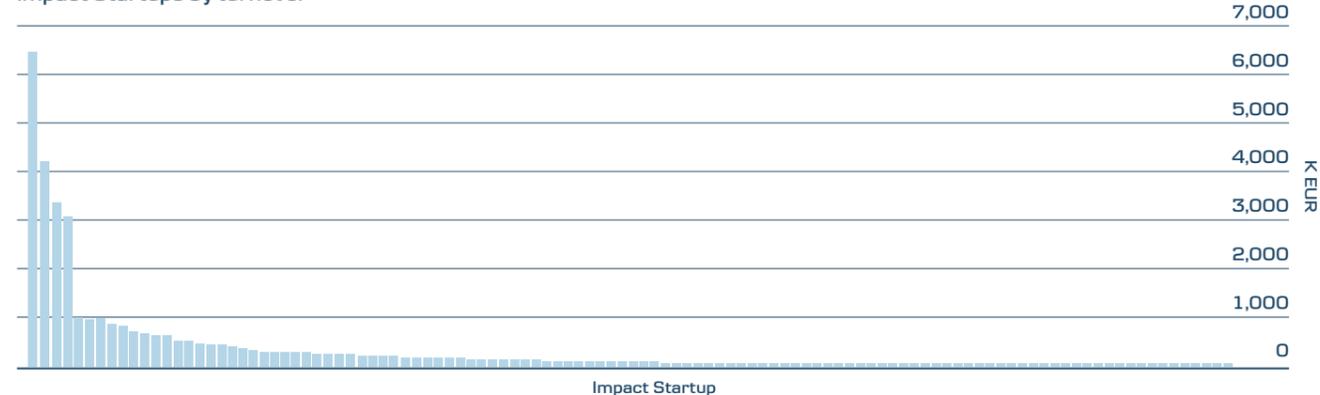
## Impact Startups split by number of employees

Total number of Impact Startups is 306



have grown to be organisations of 41-75 employees, or companies with a turnover of EUR 3.3m-6.4m. The aggregated turnover of the Top3 Impact Startups equals 43% of the total turnover of the sample being the exception to the rule. Even so they serve as inspiration to smaller Impact Startups.

## Impact Startups by turnover



## Top3 by employees

In terms of employee numbers, GreenMobility (Denmark) and Naava (Finland) lead the field with 75 employees each in 2016.

GreenMobility offers an electric vehicle car-sharing service that can reduce the number of parked cars in the streets while lowering CO<sub>2</sub> emissions from personal transport. The company addresses SDG12 (Responsible Consumption and Production) by promoting a shared economy approach, and SDG11 (Sustainable Cities), by opening up access to green transport.

Naava has developed smart, vertical plant walls which naturally purify indoor air in office spaces and other buildings. By reducing exposure to unhealthy, poor quality air the company addresses SDG3 (Good Health and Well-being).

Third-largest in terms of employee numbers is Lifesum (Sweden), with 41 employees in 2016. Lifesum addresses SDG3 by advising consumers how to pick the right foods and eat the right portion sizes, thereby helping them reach their personal health goals.

## Top3 by financial turnover

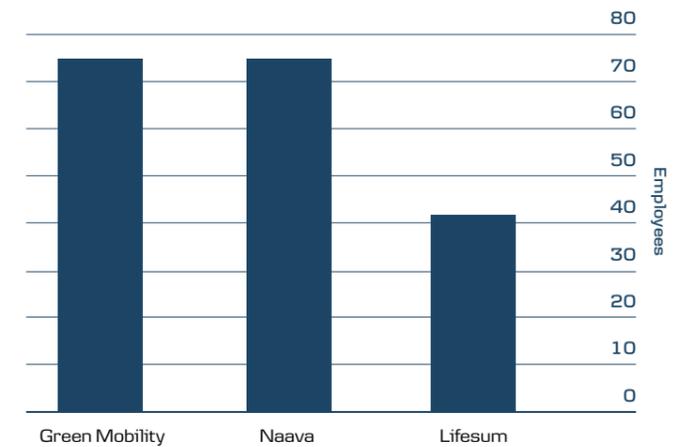
Lifesum, which also appears in the Top3 by employees, leads the field with EUR 6.4m in turnover in 2016.

eSmart Systems (Norway) is in second place with EUR 4.2m in turnover (2016). eSmart Systems has developed a scalable software platform that can process, analyse and visualise large amounts of data in real time. The platform is an enabler for the digital energy industry and smart cities. In this way eSmart Systems addresses SDG7 (Sustainable Energy), and offers the potential for reduced energy consumption and lower CO<sub>2</sub> emissions.

In third place comes Stingray Marine Solutions (Norway) with EUR 3.4m in turnover in 2016. Stingray's mission is to facilitate more sustainable, intelligent salmon production. Through the use of cameras, advanced software, data collection and laser technology, the Stingray system removes sea lice from fish in a gentle, efficient and environmentally friendly way. Big data is collected, integrated, structured and then presented as useful reports to salmon farmers. This enables Stingray users to secure better fish welfare, reduce handling of the animals and conduct smarter harvesting. Stingray Marine Solutions addresses SDG14 (Life Below Water) by reducing marine pollution of all kinds. The company also helps to reduce destructive ocean fishing practices by making more responsible fish protein available from fish farming.

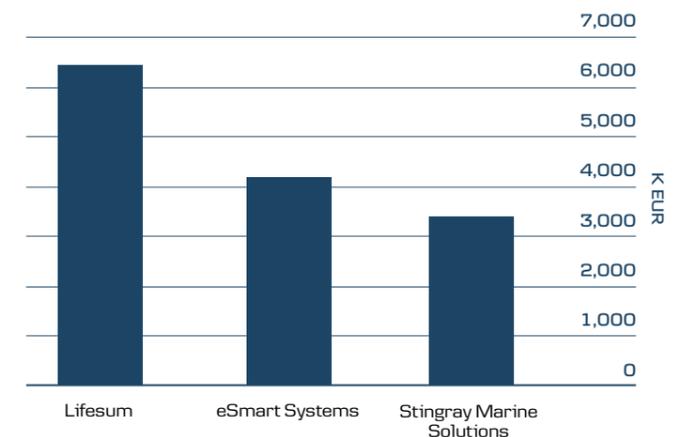
## Top3 Impact Startups by employees

Total number of Impact Startup companies is 304



## Top3 Impact Startups by turnover

Total number of Impact Startup companies is 84



# Impact Startups are growing their top lines but struggle to make a profit



Total growth in turnover (2015-2016) for a sample of 84 Impact Startups was 78%, with 7 in 10 companies showing positive top-line growth

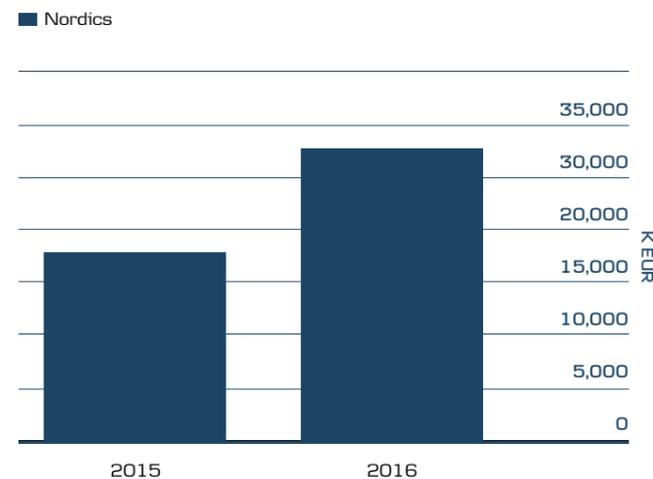
Impact Startups are generally growing their top-line strongly. Aggregated turnover for a sample of 84 Impact Startups grew by 78%, from EUR 18.3m in 2015 to EUR 32.5m in 2016.

These numbers do, however, encompass significant variations across companies and geographies, and numbers at the national level can be skewed by just a few businesses. However, we assume these variations to be levelled out when aggregating data across the Nordic countries, and we have

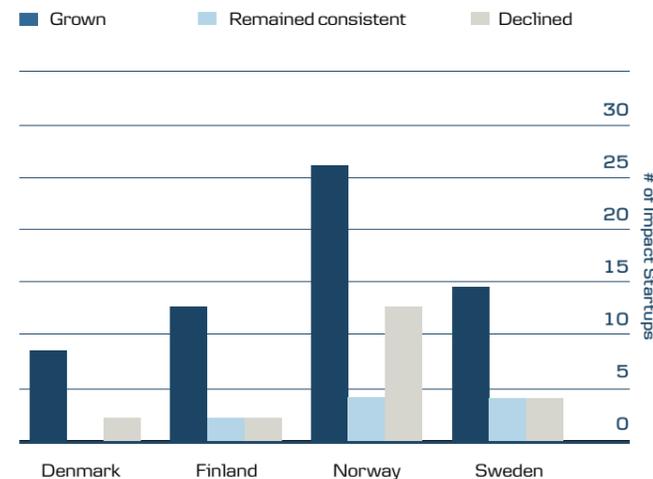
therefore chosen not to filter out companies with extremely high or low growth rates.

The strong growth performance of Impact Startups is emphasised by the fact that 72% of the companies in the 84-strong sample delivered growth in turnover from 2015 to 2016. Beyond these, 8% of companies had flat development, while 20% showed a decline in turnover.

**Aggregated Impact Startup turnover in the Nordics**  
Total number of Impact Startup companies surveyed is 84



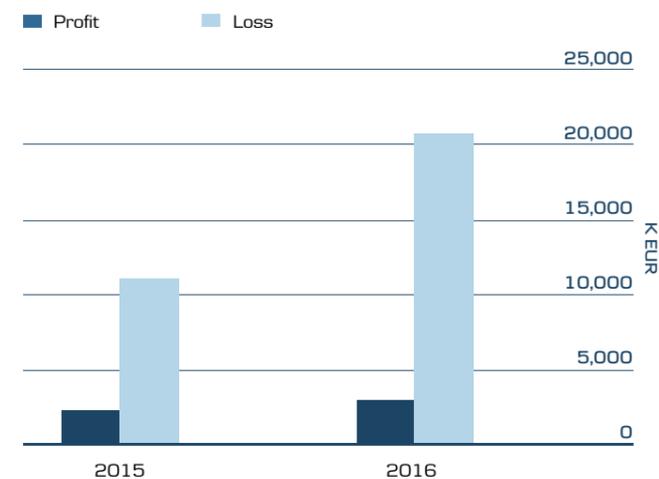
**Has turnover grown, remained flat or declined?**  
Total number of Impact Startup companies surveyed is 84



In a sample of 130 Impact Startups, 74% reported a loss in 2016

As is the case for many startups around the world, the Impact Startups are growing their top line but struggling to make a profit. The majority of Impact Startups reported a loss in both 2015 (69%) and in 2016 (74%). The accumulated profitability of Impact Startups remains negative, even as businesses mature and pass the 10-year mark.

**Aggregated Impact Startup profit and loss in the Nordic Countries**  
Total number of Impact Startup companies surveyed is 130



**Aggregated profit and loss by age**

Total number of Impact Startup companies surveyed is 130

Profit/Loss (2015)				
Age	Companies	Average	Min	Max
<3	0	0	0	0
3-4	67	-56	-328	44
5-9	50	-42	-691	939
10+	13	-223	-1,290	445

Profit/Loss (2016)				
Age	Companies	Average	Min	Max
<3	0	0	0	0
3-4	67	-124	-1,201	203
5-9	50	-107	-1,448	923
10+	13	-329	-2,463	631

# *We will continue to support Impact Startups*

We believe that companies which innovate around the SDGs will create long-term value for all stakeholders. In this way, Impact Startups hold a key to the future – but it is not an easy ride. Even if Impact Startups do deliver impressive growth, they still struggle to make a profit. This indicates that SDG relevance cannot be considered to the exclusion of conventional business skills. To be truly sustainable, Impact Startups must continue to demonstrate their potential, both in terms of financial performance, as well as environmental and social impact.

At Danske Bank we support entrepreneurs who are dedicated to making a difference, and who have the potential to contribute towards reaching the Sustainable Development Goals. We will therefore continue to support the scaling of Impact Startups, help build capabilities, and connect Impact Startups with new business partners.

*#plusimpact [www.plusimpact.io](http://www.plusimpact.io)*

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