

Table S1. The factors influencing VC supply, demand and total market activity.

Metacategory	Group	Factor	Driver	Drivers influence on		
				Supply	Demand	Matching
Factors related to actors of VC market	Factors related to VC firms	Total amount of available capital from VC firms	High amount of total VC		↑	
			Number of VC firms	High competition between VC firms in a particular stage	Varied influence	Negligible influence
		Characteristics of VC firms	Existence of VC firms in all stages	↑	↑	↑
			Existence of local VC firms	↑	↑	↑
			Existence of foreign VC firms in a market	↑	↑	
			Publicly co-financed VC firms	↑	↑	
			Decreasing influence on returns			
			Decreasing influence on added value			
			Private VC firms	↑	↑	
			High reputation		↑	↑
			Experienced VC firms	↑	↑	
			Substantial added value from VC firms		↑	↑
		High investment returns of VC firms	↑			
	Successful growth of VC firms' portfolio companies		↑	↑		
	Factors related to investors in VC funds	Base of institutional investors	Diversified and robust institutional investor base	↑		
		Private entrepreneurs	Successful entrepreneurs from prior generations	↑		
	Factors related to entrepreneurs	The number of entrepreneurs seeking for VC	High amount of entrepreneurs seeking for VC	↑		
			Entrepreneur's characteristics	General awareness about VC		↑
		Understanding the added value from VC			↑	↑
		High risk tolerance and partnership acceptance and trust			↑	
Gender – male				↑	↑	

			High net worth of entrepreneurs		↑	↑
			Previous experience in the entrepreneurship			↑
			Technical or MBA education		↑	↑
Environment	Legal environment	General legal environment	Internationally harmonized and stable regulation for securities, bancruptcy, labor and tax	↑	↑	
		Legal environment for LPs	Flexible policies regarding risk evaluation and broad limits for investments in VC funds	↑		
			Tax application on LPs not VC fund level	↑		
		Legal environment for VC funds	Broad limits of VC funds (size of the investment; geography; focus; life span of the fund; risk profile)	↑	↑	↑
		Legal environment for entrepreneurs	Entrepreneur friendly tax application and little administritve burden for starting a business		↑	
	Legal environment for particular kind of investments	Government policies and regulations beneficial for particular kind of investments (i.e. clentech; sustainability)		↑		
	Government policies	General	Programmes encouraging entrepreneurship		↑	
			Raising awareness about financial instruments		↑	
			Support for Technology Transfer and RD		↑	
			Outsourcing public services		↑	
		For VC funds	Providing public funding for VC funds	↑		
			Raising awareness about VC		↑	
			Alternative IPO and listing regulation for SMEs with less stringent standards	↑		
			Similarity between domestic and foreign policy	↑		
	Infrastructure	General infrastructure	Developed infrastructure	↑	↑	
			High development of IC industry	↑	↑	
		Research facilities	Existing and available research facilities		↑	
		Local Universities	Existence of local technical universities		↑	
		Capital market	Capital market providing exit possibilities	↑	↑	
			Absence of other available capital		Varied influence	↑

			Possibility to get additional funding for next rounds/further growth	↑		
			Low transaction costs	↑		↑
			Lack of other high yield investment for LPs options	↑		
		Domestic VC ecosystem	Developed ecosystem with consultants and business angels	↑	↑	↑
	Environment for innovation	Technology innovations	High level of technology innovation	↑		↑
		Demand for new products	High level of demand for new products	↑		↑
		Demand for particular products/technologies	High level of demand for particular products/technologies		↑	
		State R&D expenses	High level of state R&D expenses			↑
	Resources	Human resources	High diversity of economically active persons (nationality, gender)		↑	
			High unemployment		↑	
			High student rate	↑		
			Availability of technically skilled entrepreneurs and personel		↑	
			Availability of economically competent individuals		↑	
	Macroeconomic conditions		High GDP and export	↑	↑	↑
	Embedded factors	Geographical location		Close location to core economical regions	↑	↑
Close location to countries with a high VC activity				↑		
Social norms		Attitude to risk, uncertainty, cooperation, trust	High level of risk and uncertainty toleration, tendency to cooperation and trust	↑	↑	↑