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Creating Nordic Success Stories

Enhancing cooperation on the Nordic seed capital market

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1. Executive summary

The venture capital market is an important engine for economic growth and the creation of new industries, companies and employment in the Nordic countries. Furthermore, it helps to attract international capital to the region.

This fact has been acknowledged by all the Nordic countries and efforts have been made to improve regulations pertaining to the venture capital and private equity industry in the region as well as on a European level. Academic research has also revealed that no venture capital markets have been established without public support.

A well functioning Nordic venture capital market needs, in the long term, to be attractive to the private sector and particularly to institutional investors worldwide. Emerging from the recent financial crisis, the outlook for the Nordic seed capital as well as the venture capital market is more positive. However, it will be difficult to attract sufficient private capital in the foreseeable future and the markets will require continued public financing.

This report is part of a broad effort, the Nordic Seed Capital Initiative, aimed at promoting the Nordic seed capital market. The members of the inititative, the leading public seed capital investors, are working towards increased Nordic cooperation, continued effective public support as well as considerate policymaking for the development of the Nordic seed capital market.

Creating Nordic success stories is the overall theme of the initiative, since the successful start-up companies are the starting point and prerequisite for private investments in this area.

In the Nordic countries the supply of private capital for the very early stage of venture capital – the seed stage - has been limited. Consequently, this space is at present dominated by public and publicly funded players.

The resources on today's Nordic seed market are scattered. Much is to be gained by benchmarking and sharing best practices among Nordic public investors and financers. Increased Nordic cooperation is expected to lead to higher critical mass and tighter networks that are vital for the success of early stage national investment programmes. Combined, the Nordic countries could constitute a common market of a size that would produce venture capital players in different stages with critical mass and global competitiveness.

Changes on a European level will take time, which present the Nordic countries with an obvious opportunity to create a competitive advantage by acting quickly to improve conditions for the Nordic market. This would further strengthen the Nordic region as a European leader in early stage investments.

The governments have chosen different ways of supporting the seed and venture capital markets in the various Nordic countries. Today, the challenges in the early stages are similar and include lack of private financing in the seed stage, difficulties for venture capital funds to secure new funding for the expansion stage, lack of patience and focus as well as scattered resources in publicly funded investment operations.

In order for the venture capital market to be effective in promoting innovation and sustaining viable start-up companies, it must function as a coherent system for innovation finance. It is imperative that there are a sufficient number of investors in each development stage, and that these investors have adequate funds to provide the capital necessary to finance the development and growth of start-ups. Otherwise, some of the start-ups that obtained funding in the seed stage risk falling into a finance gap that impedes their development or, in a worst case scenario, forces them to close down.

The members of the Nordic Seed Capital Initiative believe that governments in the Nordic countries should aim at creating a more risk taking environment by promoting private early stage investment. Policy makers should ensure that public policy (e.g. tax and regulatory settings) is conducive to venture capital investments. Furthermore, until there is sufficient private capital available, governments should, invest in early stages. In order to create internationally competitive companies, such investment operations need to be executed with patience and in tune with market needs.

Policy makers should also encourage Nordic crossborder investments, increased Nordic cooperation and experience sharing as way of developing the Nordic market.

If action is not taken there is a risk of a major set-back in the development of a well functioning common Nordic venture capital market as well as the loss of a substantial part of the large public capital that has been invested in the early stages.

This report contains general recommendations for the Nordic countries in addition to national recommendations regarding the promotion of the seed stage in each Nordic country.

The main theme of the report is how to create Nordic success stories. Today many companies are born global and experienced and competent investors are key ingridients in making them successful. By joining forces and cooperating, Nordic early stage investors can become more effective in supporting the growth and internationalization of Nordic start-up companies.

2. Recommendations

2.1 General recommendations for Nordic policy makers

The members of the initiative recommend each Nordic country to:

1. Create incentives to enhance the attractiveness of early stage investing, thus increasing the supply of capital for start-up companies.
2. Continue to provide equity financing for seed investments but by means of larger funds with critical mass to avoid the scattering of resources.
3. Ensure that publicly funded schemes are in tune with market needs and practice patience and consistency to enable the emergence of experienced fund managers.
4. Include the clear aim of generating internationally competitive new companies in publicly funded investment schemes.
5. Formulate policies with the aim of promoting a long-term, well functioning and self-sustainable venture capital market.
6. Provide increased financing for venture capital funds through national or a potential Nordic fund-of-funds, to ensure stable funding for the Nordic venture capital market on its way towards a long term, self-sustainable industry.
7. Create models for bringing management experience into start-up companies both at operative and at board level e.g. by fostering co-entrepreneurship.
8. Create an internationally competitive environment for venture capital by removing for instance legal tax barriers for cross-border investments in venture capital funds.
9. Explore the possibilities of allowing cross-border investments from public early stage investors as a way to increase Nordic cooperation and promote promising Nordic start-up companies.

2.2 Recommended Nordic initiatives

The members of the initiative further recommend the Nordic Council of Ministers and the Nordic Innovation Centre to assign the following projects:

1. Continuation of the Nordic Seed Capital Initiative beyond 2011 to further promote Nordic potential growth companies by building a sustainable common platform to attract international investors.
2. Continuation of the Nordic Legal project aimed at creating an internationally competitive environment for venture capital by removing for instance legal tax barriers for cross-border investments in venture capital funds.
3. Conduct a comparative study on the status of angel investors in the Nordic countries, including an analysis of the levels of investment and benchmarking of angel investor promotion activities.
4. Explore the possibility of a Nordic fund-of-funds for investing in venture capital funds, as a complement to national institutions, thus helping to secure stable long term financing for the Nordic venture capital market.

3. Introduction and context

The Nordic Council of Ministers has recognized the importance of seed and venture capital and has commissioned several projects aimed at promoting a highly functional common Nordic venture capital market.

Since 2004 several venture capital projects have been carried out by the Nordic Innovation Centre, an institution under the Nordic Council of Ministers. The findings and recommendations have in several cases contributed to policy changes in the Nordic countries. For example, several restrictive mandates for public investors in funds have been changed from being national to allow for Nordic investments. In addition, obstacles to crosss border investments in Nordic private equity structures have been and are in the process of being eliminated.

In recent decades, the earliest phase of the venture capital market – the Nordic seed stage - has become a vital part of the Nordic innovation system and contributes to the creation of new industries and employment. Due to limited private investment in the seed stage, public involvement is higher than in the later stages of venture capital.

All Nordic countries have public investment operations in the seed stage and in all countries there have been discussions on how to further promote the emergence of new companies and industries.

Academic research has revealed that no country has a well functioning venture capital market without public support. As the renowned Jacob H. Schiff Professor of Investment Banking at Harvard Business School, Josh Lerner, put it: "It is instructive to observe that all venture capital markets of which we are aware were initiated with government support".[1]

Professor Lerner concludes that the most important task for government is to ensure that public policy (e.g. tax and regulatory settings) are conducive to venture capital investments. Government can also take on the challenging role of an investor but this must be done in a careful way that is sensitive to the needs of the market.

Given the above background, a "Nordic Seed Capital Initiative" was commissioned by the Nordic Innovation Centre in autumn 2008.

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[1] Lerner, Moore and Shephard, "A study of New Zealand's venture capital market and implication for public policy"(2005)

Following a successful start in 2009, the Nordic Innovation Centre and the members of the initiative agreed on a broader effort for 2010-2011.

The initiative during 2010- 2011 is made up by five different tracks with the primary goal to contribute to the creation of Nordic success stories in the early stages as well as to catalyze and intensify Nordic cooperation between seed stage investors. Furthermore, the initiative emphasises the importance of a deeper dialogue among seed players including benchmarking and sharing of best practices.

The tracks of the initiative include among other actions the organizing of the Nordic Seed Capital Summit - a unique gathering of private and public early stage investors - the writing of joint reports, joint outbound activities promoting Nordic start –up companies and the creation of a Nordic web-platform for the exchange of relevant information regarding the Nordic seed capital market.

The resources on the today's Nordic seed market are scattered on too many small funds and much can be gained by increasing the level of cooperation and interaction between relevant market players. By joining forces under the umbrella of the Nordic Council of Ministers, the public investors are expected to have a very positive impact on the Nordic seed segment.

This report describes the recent findings and suggestions of the Nordic Seed Capital Initiative and will be presented at the Nordic Seed Capital Summit in Stockholm on May 27, 2010. The study is not an in-depth analysis but a way of presenting the status of and challenges for the seed market in each Nordic country as well as suggestions and recommendations on how to improve the market.

This year's report combines a reiteration of the main recommendations from last year's report "Challenges and Initiatives for the Nordic Seed Stage" as well as special focus on how to catalyze and intensify Nordic cooperation by for example allowing for and facilitating Nordic cross-border investments.

The report was jointly written by the members of the Nordic Seed Capital Initiative, and the national overviews were individually written by each member.

In addition the Danish public investor Vækstfonden has contributed a section on the Danish market, while the Norwegian Venture Capital & Private Equity Association and the Swedish Private Equity & Venture Capital Association have provided market statistics.

The members of the Nordic Seed Capital Initiative have vast experience of the Nordic seed and early stage market.

Owner of the initiative:
Hans Christian Bjørne & Marcus Zackrisson, Nordic Innovation Centre

Initiative coordinators:
Erik Johansson & Carl-Peter Mattsson, Nordic Investment Solutions[2]

Table 1. Members of the Nordic Seed Capital Initiative:

Nordic Seed Capital Forum	Company	Country
Eva Sjöberg	Innovationsbron	Sweden
Maria Qvick	Innovationsbron	Sweden
Stein Jodal	Innovation Norway	Norway
Ari-Pekka Laitsaari	Veraventure	Finland
Erik Johansson	Nordic Investment Solutions	Sweden
Carl-Peter Mattsson	Nordic Investment Solutions	Sweden

Additional contributors to the report:
Vækstfonden, Denmark
Norwegian Venture Capital & Private Equity Association
Swedish Private Equity & Venture Capital Association

[2] Nordic Investment Solutions is a Nordic advisory firm within private equity.(www.nordicinvestment.se)

4. The Finnish seed capital market

The following text outlines the main challenges and most important issues to be resolved on the Finnish seed and venture capital market as seen from the perspective of Veraventure, the Finnish member of the Nordic Seed Capital Initiative.

4.1 Present status and recommendations

Finland is one of the most R&D intensive countries in the world with a spending target of 4.0% of GDP in R&D. As a result of this commitment, Finland has led competitiveness tables for several years running. While these achievements are exceptional, without an equally impressive commercialization path and sufficient investment infrastructure, the goal is unachievable.

However, while early stage venture capital provision compares favourably with EU averages and appears better than most, such comfortable acceptance of "above average" commitment remains inconsistent with Finland's world class R&D performance. This contradiction between R&D achievements and the investment eco-system is striking. One of the clearest signals emerging from the market is a need to catalyze higher amounts of value-adding early stage VC equity in conjunction with business angel investments in early stage companies.

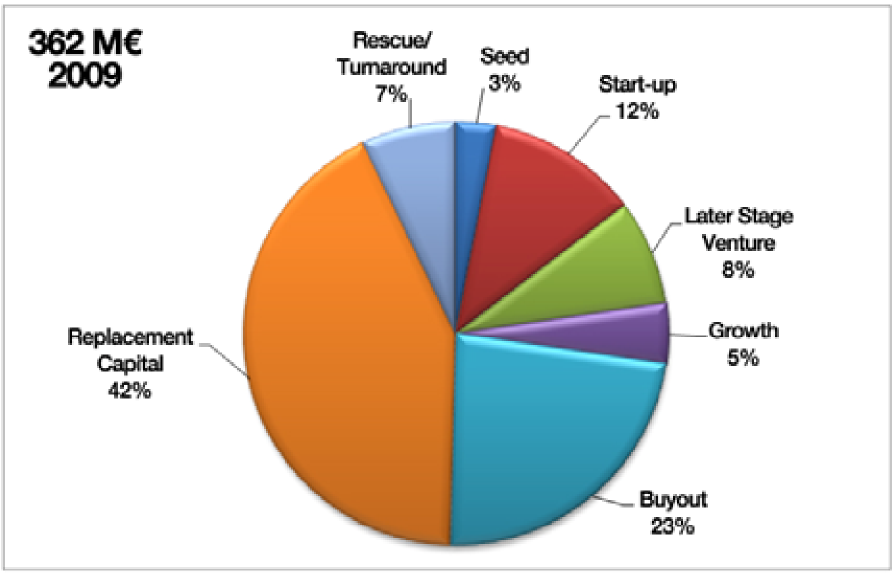
The status of the Finnish early stage investment industry is critical; there are a mere 5 early-stage funds actively investing, for which there are two main reasons. Firstly, institutional investors lack the appetite to invest in this space, and consequently, new funds have difficulties raising funds. Secondly, pushed by higher return requirements, existing funds have moved from early stage to more mature stages or Buy-out/MBO/LBO–investments.

Few funds have above € 50M under management, which is reflected in the limited ability of the respective funds to rapidly scale early stage companies to international growth. Furthermore, only a small number of funds with over € 50M under management have made initial investments in early stage companies. This reflects the need for funds to reserve sufficient capital for follow-on investments or a change in investment strategy.

There remain substantial entry barriers to the Finnish venture capital market due to the reluctance of institutional investors to back first-time funds. Many of the key institutional investors currently consider that Finnish VC funds do not offer sufficiently attractive returns. Therefore, many of the private VC firms have been established as spin-offs/MBOs from public investors.

This vacuum has led to a situation where the public sector has been forced to invest more resources into the early stage space. Consequently, the early stage market is today dominated by public entities, namely Veraventure, which commands over 80% of this market in Finland (based on FVCA 2009) figures. The graph below depicts the distribution of early stage investments by stages.

Investment amounts by stage in 2009



Source: Finnish Venture Capital Association

There are divergent opinions on whether the early stage venture capital funds lack good quality investment offers or whether there are sufficient good quality investment offers but not enough funds. There is also an active ongoing debate about the amount and quality of deal flow.

4.1.1 Main recommendations for the Finnish market

Key recommendations for political action to support the continued development of the Finnish and the Nordic early stage venture capital market:

- Active support for initiatives that increase the start-up companies' access to managerial skills and experience, e.g. in the form of coentrepreneurs and experienced board members, especially issues relating to taxation of compensation paid by issuing shares.

- Support for cross-border investments by (semi)public operators where national and Nordic interest is shared, despite the fact that one or several investors might be investing outside their own domicile
- Evaluation of whether the Nordic Investment Bank can enter the venture capital market.

4.2 Overview

The Finnish early stage venture capital market is thin and lacks institutional investors with an adequate appetite for seed/start-up risk. Moreover, the current funding mentality fails to address the issue of continuation. Substantial efforts have been directed to funding several seed stage companies without paying sufficient attention to what these companies require to become attractive investment targets for the next stage, international A/B round funds and industrial partners. One of the guiding principles, market rate returns on investments, is not the primary driver for public market players, creating some slack in the process. This is reflected in risk tolerance, which is low and exacerbated by the fact that, by definition, Finnish investors seek compromises instead of going for a winner and concentrating resources on developing those winners.

Finland has invested substantial amounts in building an innovation eco-system. The early stage funding space used to be filled by State controlled entities without a coherent structure for cooperation or division of responsibilities. In response to this challenge, the State reorganised the public sector related venture capital universe. Based on a new division of labour, the responsibilities of the public sector funds were reallocated:

- SITRA to concentrate solely on venture capital investments within its specific programmes;
- Finnish Industry Investments to concentrate solely on growth stage investments;
- Veraventure to concentrate solely on investments in the seed and start-up stages.

The low growth ambitions of a large proportion of entrepreneurs is reflected in the insufficient investment amounts sought and obtained, which appears to create a “chicken and egg” dilemma that is an obstacle for Finnish growth companies. Introduction of new investors to the market would stimulate entrepreneurial activity by increasing the “size of the pie”. The more unique the fund’s focus and the greater the expected value-added support for the growth and internationalization of the new fund's portfolio companies, the greater the new deal flow generated.

In addition to State controlled entities, there are only a handful of private sector players who are also characterised by a heavy State presence through Finnish Industry Investment, a State controlled fund-of-funds acting as a limited partner in the majority of existing early stage players. The most notable private early stage players are Open Ocean, Conor Venture Partners, Iveni Capital and Inventure.

4.2.1 Seed stage investing

Although Finland has strong research, technology development and an IPR foundation, it has failed to develop growth companies out of seed investments. Despite the fact that the overall financing situation of early stage companies is relatively good, there is a challenge involved in catalyzing the finance of early stage companies that aim to capture global markets. There are currently few sources of sufficient value-adding risk capital for these growth oriented and internationally focused ventures, particularly in the first rounds of external finance. This is a fundamental growth entrepreneurship challenge, where the ability to tolerate risk is the ultimate building block for developing the companies to the next stage. This risk aversion is further exacerbated by public venture capital funding, where selection criteria are not always geared towards the best returns, but instead support policy objectives. This has led to a situation where the focus is on the survival instead of the success rate. Consequently, public funds have ended up supporting a large number of companies with insufficient resources for growth.

One constraining factor in developing innovative early stage companies is the difficulty in attracting institutional investors. Large pension funds remain the core source of funds and it is still somewhat of a new asset class for investors. Institutional investors suffered huge losses following the dotcom crash and since then, little new investments have been made in early stage funds. Only a few "trusted" early stage VCs have attracted sufficient funding, while those with no prior track record have been ignored.

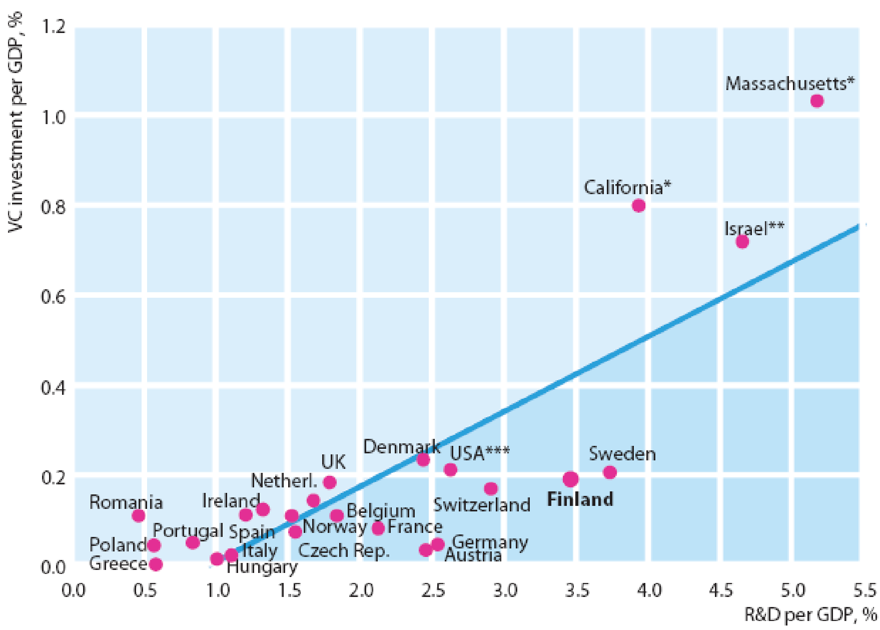
Although a majority of early-stage companies recognize the necessity of international operations, investors and venture capital firms are only slowly waking up to this reality. Finnish venture firms have only recently expanded their operations beyond an exclusively domestic or, at best, Nordic focus. Very few have been able to recruit foreign expertise to their boards or top management. Such a predominantly domestic focus has not made it easier to attract talented and experienced foreigners to come and build growth companies in Finland.

4.2.2 Challenges

The primary challenge in the market is the lack of success stories, which are necessary in order to attract foreign investors to invest in Finnish early stage space. This would not only provide depth in venture capital firms operating in the market, but also valuable international experience.

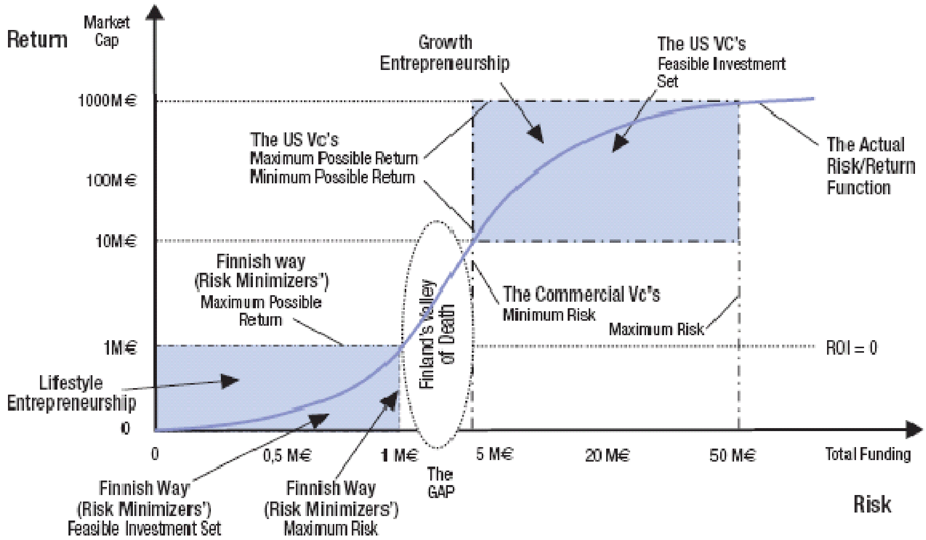
Another challenge is the risk aversive nature of the existing players. There seems to be a tendency to spread available, scarce resources too widely by funding too many companies without adequate follow-on investment strategies. Furthermore, the current innovation eco-system supports a large number of "lifestyle entrepreneurs" lacking the drive and ambition to take their companies to the next level. This is mainly reflected in the general attitude of giving everybody a fair chance of making it instead of concentrating funds, time and effort in developing the fittest. The eco-system also lacks experienced serial entrepreneurs who have the ability to help seed companies thrive and reach the next stage. The risk aversive nature of early stage investing is depicted in the table below.

R&D PER GDP VS. VC INVESTMENTS PER GDP



Note: *it is worthwhile to bear in mind that in addition to venture capital investments, TEKES (Finnish Funding Agency for Technology and Innovation) has a budget of some € 500M p.a. for grants and soft loans for innovative early stage companies.*

There is a sufficient amount of seed/start-up capital as far as the expansion stage but that is followed by a “valley of death” until the growth stage, which paralyzes the development of the companies. There are few serious players in the early stage space and the further the companies progress in their respective evolution, the thinner the market becomes. The graph below depicts the Finnish challenge in terms of adequate funding.



Source*: TEKES*

Another major challenge is the short time horizon and lack of international experience in terms of developing the companies to their fullest potential. The lack of international scope and experience has led to a general inability to expand operations beyond the Finnish borders and therefore failure to attract international investors. The early stage companies remain reluctant to take the quantum leap of canvassing for international opportunities. When they finally decide to do so, they often underestimate the challenges and overestimate their resources. This partly applies to venture capital players as well.

An even more serious challenge is the lack of global business competence. The number of serial entrepreneurs is very low and most of the talented business professionals choose to work for the large corporations. This can also be seen in the low number of corporate spin-offs or spin-outs entering the Finnish early-stage, high-growth ecosystem.

As indicated above, the biggest challenge is to create an innovation eco-system, which would produce high-growth success stories on a regular basis. Although there have been some random success stories, the market lacks a clear and structured system of developing winners from growth companies.

4.2.3 Solutions

Based on the deal flow analysis, it can be concluded that there is more deal flow in Finland than was previously believed to be the case and that the deal flow volume is likely to increase further if new specialized investors enter the market. The performance analysis suggests that although past returns on early stage investments have not been satisfactory, there is no reason why that should be the case in the future.

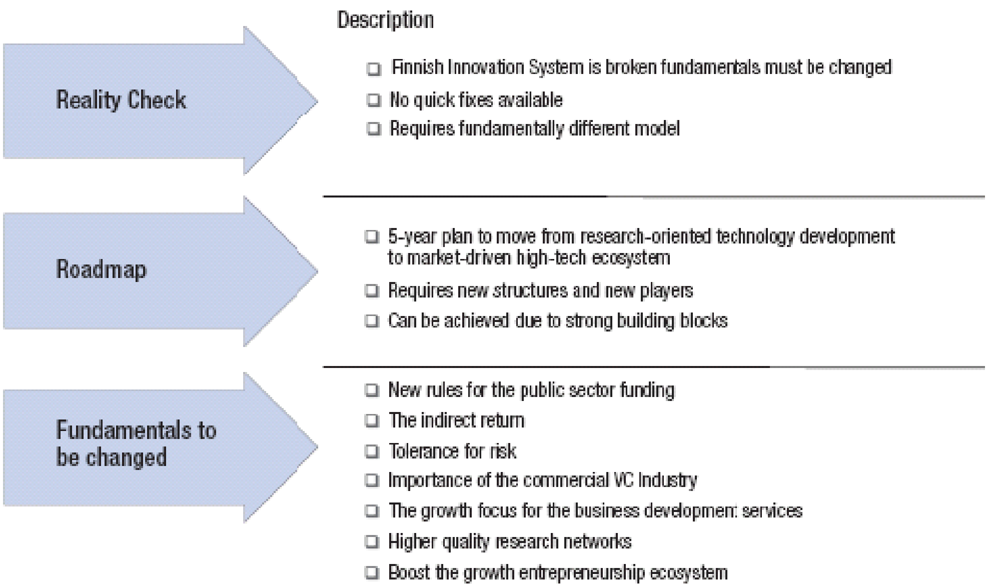
A possible solution is to focus on creating winners and concentrating efforts and resources on developing success stories, which would act as an example for other seed/start-up stage ventures. However, that would require the creation of a risk taking environment that would facilitate serial entrepreneurs to invest funds and knowledge in early stage ventures.

It is also necessary to focus on ensuring the ability of venture capital firms to generate and sustain a unique deal flow. In high technology venture capital, good deal flow often emerges from serial entrepreneurs and as spin-offs from leading research institutions and corporations. Both public and private venture capital firms should have access to superior deal sources, which can help put together dream teams to commercialize these new technologies.
Another aspect is the inability of venture capital firms to support portfolio companies' internationalization. Venture firms should have a very wide and strong contact network that includes leading global corporations and international investors in order to enable the portfolio companies to reach the next level. The contact network is critical in all stages of the investment process from origination and due diligence to identifying industrial partners and/or additional exit avenues.

The supply and the demand sides should be addressed simultaneously in order to solve the chicken and egg problem in early stage venture capital. According to Gilson (2003), "replicating the U.S. venture capital contracting structure confronts a daunting simultaneity problem. Three central inputs are necessary to the engineering process: capital, specialized financial intermediaries, and entrepreneurs. The problem is that each of these inputs will emerge if the other two are present, but none will emerge in isolation of the others."[3]

[3] Gilson (2003)

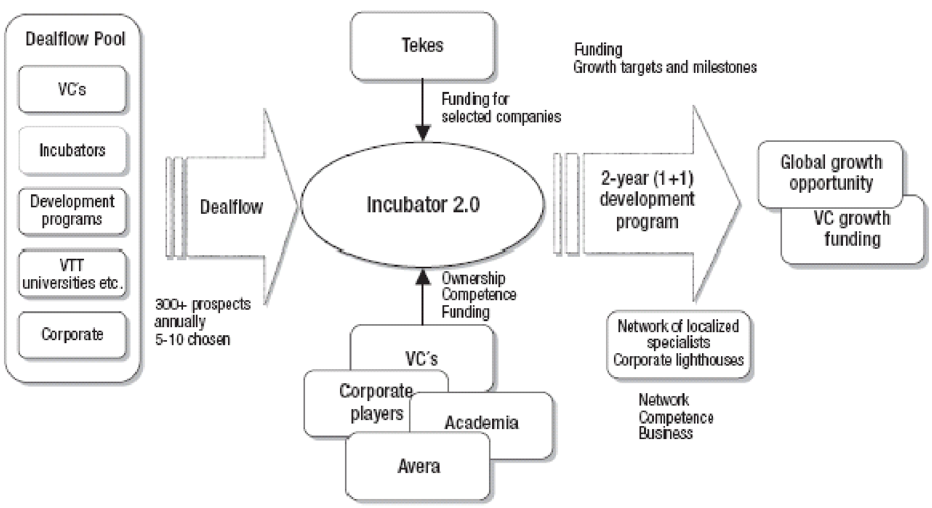
The graph below provides a snapshot of measures suggested by a recent study conducted by TEKES[4].



***Source**: TEKES*

4.2.4 Incubators

The Finnish incubator programme "Vigo" (www.vigo.fi) was launched in March 2009. The programme's tenure is 3+3 years with the aim of establishing 3-5 sector specific incubators managing up to 10 companies at any given moment. There are currently six incubators with total of 6 companies in their respective portfolios, while additional five are in due diligence phase. The central government is committed to investing up to € 45M in the programme through the incubators companies during the first 3 years. The graph below depicts the anticipated incubator system operating model.



[4] VICTA - Virtual ICT accelerator / TEKES technology review

A primary goal of this programme is to combine Government financial sources with serial entrepreneurs with substantial international experience in order to develop the portfolio companies to their full potential.

4.2.5 Business Angels

There is an active angel community. Until the beginning of 2008 SITRA was responsible for developing the Finnish business angel community and had a pool of 460 names. At the beginning of 2008, Veraventure started building their Angel Pool, which at present contains 147 potential angel investors. This number is expected to increase only moderately from the current level. For Veraventure, this active Angel Investor pool represents a critical resource for managing its portfolio companies and taking them to the next level.

During the 2009 fiscal year, Veraventure made a total of 29 first round investments of which 20 were syndicated with Business Angels. However, a vast number of investments made directly by the Angels are not in official statistics.

Given that venture capital firms alone are unable to resolve the funding and development challenges of early stage companies in Finland, Angels have a potentially significant role as one of the most appropriate forms of early stage capital. As a funding mechanism, they not only bring risk capital but are also experienced, entrepreneurial individuals with the relevant skills to take the early stage companies to the nest level. Therefore, incentives offered to Business Angels should remain at the heart of supportive measures to catalyze Angel investments.

4.3 Looking ahead

Finland is increasingly open to leveraging international financial and human resources in order to support early stage innovative companies. Cross-border venture capital would play a very significant role in developing these companies into attractive investments. The ability to attract foreign investors is of critical importance for the success of the developing Finnish innovation eco-system. Such investors would materially assist early stage companies to internationalize, thus facilitating additional funding. However, a necessary precondition is a strong and respected local investor base with an adequate international contact network demonstrating the ability to create quality deal flow.

Furthermore, international investors would alleviate the problems of risk aversion and the relatively low entrepreneurial interest of Finnish early stage companies.

There have been numerous initiatives to support Finnish early stage companies to identify international investors and create an international network. The most notable are the FinnNode innovation centre and the International Business Accelerator Centre in Silicon Valley, as well as the FinnCh innovation centre in Shanghai. Veraventure's participation in the EU Early Stage Investor project promoting cross-border investments within Europe is another encouraging example of the growing internationalisation of early stage investments. Pan-Nordic initiatives such as the Nordic fund-of-funds can also be seen as an important step in the right direction, provided that this initiative actually materialises. Nevertheless, the international scope and orientation of Finnish early stage companies is still based exclusively on a few enlightened individuals and fragmented project type initiatives. An international perspective and ambition should become a core competence of the Finnish early stage innovation eco-system.

There remains a clear need for industry focused General Partners with sufficient resources, world-class competencies and a wide international contact network. Venture Capital managers should be able to invest in the early stage and have the ability to aggressively follow on and invest in order to support their portfolio companies to build an international presence, thus filling the preconditions for commercially attractive exits.

For many years early stage investment has retained a decidedly home bias, with the majority of institutional investors in the Nordic region only having only limited exposure outside their own region. In recent years, this mainly domestic focus has started to widen and we are now witnessing a tipping point for cross-border investments from private sector early stage funds.

The internationalisation of equity and bond portfolios has meant that the general argument for cross-border investment and diversification has become widely accepted. The relative performance of early stage compared to other asset classes has in turn led to a re-appraisal of the asset class amongst investors.

Whereas Nordic private sector investors have increasingly started consider investing outside of their domestic markets, the hands of sovereign related funds remain tied due to their owners' mandate requirements. These requirements, which to large extent ditacte that these funds cannot operate beyond national borders. Sovereign related funds are therefore constrained in their ambitions to create international portfolio companies. Consequently, this lack of international exposure and critical mass is a deterrant for larger, international funds as they do not want to invest in ”small-scale-companies” with limited markets.

Should the Nordic countries want to create early stage success stories it is imperative that the sovereign related funds’ mandates are broadened in order to allow them to make cross-border investments. Only by creating sufficiently large companies with a sustainable market presence and product palette, can we expect international funds to become interested in Nordic early stage companies.

5. The Norwegian seed capital market

The following text outlines the main challenges and most important issues to be resolved on the Norwegian seed and venture capital market as seen from the perspective of Innovation Norway, the Norwegian member of the Nordic Seed Capital Initiative.

5.1 Present status and recommendations

The seed capital segment is an important piece of the creation of new companies and industries in Norway. Together with research facilities, incubators, science parks and later stage investors they make up an eco-system that helps to increase the number of young growing companies.

The supply of seed capital financing in the Norwegian market has been low. Today, almost 90 % of the capital in the seed segment is provided by public schemes. Outside of the public operations the supply of seed capital is very limited, despite the fact that there is an emerging trend of private investments in the early phases.

The overall Norwegian private equity market has experienced strong growth over the past decade. In Norway, private equity financing has traditionally been practised by family-owned companies carrying out investment activities, generally as a sideline to their primary business. It is only in the past 10–15 years that we have seen the emergence of a professional fund management industry based on institutional capital. The local private equity market has been organised around industrial clusters such as oil and gas, marine and maritime, technology, media and telecoms. Some oil and gas focused private equity funds have backed innovative high growth companies and produced world class returns.

In terms of activity, the Norwegian private equity sector has previously been more orientated towards venture capital than is usually the case internationally. However, during the last few years several new mid-buyout funds have been established, which have raised substantial amounts of capital.

Some of the major challenges for today’s Norwegian seed market are:

- Relatively low overall supply of seed capital.
- The supply of private capital in the seed stage is still too limited.
- Fundraising for venture capital funds has become more difficult and the venture capital firms still need to prove their long-term competitiveness. These firms are important follow-on investors with which the seed investors can cooperate.

Recommendations for politicians:

- A long term public seed capital scheme should be put in place to ensure an additional capital base for young growth companies.
- "Public seed" funds should have enough critical mass in terms of capital and personnel to be successful investors and attractive partners for private investors.
- Private investment in the early phases should be stimulated.
- Long-term financing should be provided for venture capital funds to ensure the evolution of experienced Norwegian venture capital firms.

5.2 Overview

Most of the public financing facilities for SMEs in Norway are gathered in one organization, Innovation Norway. The task of Innovation Norway is to contribute to the development of Norwegian business life, both nationally and internationally, with focus on nine strategic areas, including energy and environment, ICT, oil and gas, maritime and marine. Innovation Norway provides services and programs aimed at developing the regions, increasing the level of innovation in business all over the country and promoting Norwegian business life and tourism.

In 2009 Innovation Norway contributed about NOK 8.0 billion in grants and loans to development projects. 85% of this financing was directed towards companies with less than 20 employees.

As stated above, most capital in the seed stage is provided by public schemes. The supply of competent and active seed capital outside of the public schemes is very limited. There are incubators, TTOs and science parks, but these are mainly pre-seed oriented and have limited amounts of capital to invest in each company. Some private investors and venture capital funds are investing in the early stages. Organizations such as Kistefos, Scatek, Skagerak Venture Capital, Viking Venture, Statkraft New Business and Statoil New Energy have all increased their activity in this phase. However, this has not changed the overall picture.

Innovation Norway has organised seed capital funds since 1998. There are 15 separate funds today, of which 5 cover the whole country while the others are regional. All of the funds comprise substantial public financing, part of which is defined as a loss fund that can be used when holdings are fully written down.

The funds and the fund managers are privately owned but 50 – 70 % of the funds are financed by public means. The funds in turn invest in portfolio companies. The seed capital funds were established in two waves, 1998-2000 and 2006-2008. These funds have a total capital of NOK 3.1 billion.

The funds organized by Innovation Norway only invest in Norway.

An analysis of the first wave of publicly financed funds shows that so far these funds have had lower returns than expected. The regulations were set up with the aim of ensuring that the funds should have reasonable returns in comparison to other asset classes. Evaluations reveal that all but one fund have had negative returns. A mere two out of 175 investments were sold at a high profit.

Later funds have a higher capital base, larger specialized management teams and invest greater amounts in each company. It is still too early to judge how these funds are performing, but they have produced three exits with 2x multiples or more and one IPO. The evaluation from 2009 shows that the later funds have added more compentencies to their portfolio companies than the earlier funds had.

It has been suggested that a potential wave of new funds should be made up of larger funds. The idea of setting up larger funds is in line with academic research findings and OECD studies showing that funds with sufficient critical mass in capital and organization tend to perform better.

5.2.1 Business angels

Over the years several projects have been carried out to promote business angel investment as well to create a national network of business angels in Norway. So far these attempts have been unsuccessful and there has until recently been a lack of a professionally organized structure for angel investors in Norway. However, this month a new organization, Norwegian Business Angel Network, NorBAN has been initiated to support the Norwegian business angel community and hopefully this attempt will be successful.

5.2.2 The Norwegian venture capital market

The venture capital market in Norway has grown rapidly in recent years and the leading firms have been successful in raising Norwegian and international capital. The Norwegian Venture Capital & Private Equity Association (NVCA) lists 23 venture capital firms. The larger firms today include names such as Investinor, Northzone Ventures, Verdane Capital and Viking Venture.

The recent economic downturn will, however, make it more difficult for venture capital firms to raise capital. The venture capital firms are important for the so-called food chain of capital and thus also for seed investors. These firms provide capital for the expansion of successful companies from the earlier phases. If capital becomes scarce in the venture capital phase it also constitutes a problem for the early stage investors.

5.2.3 Statistics of the Norwegian market

Below are relevant statistics for the Norwegian seed and venture capital markets.

As can be seen in the chart below, about € 399M seed capital was under management at the end of 2009

Capital under management by phase (31 December 2009, € millions)

	2009
Seed	399
Start-up / Venture	2847
Expansion / Internationalization	607

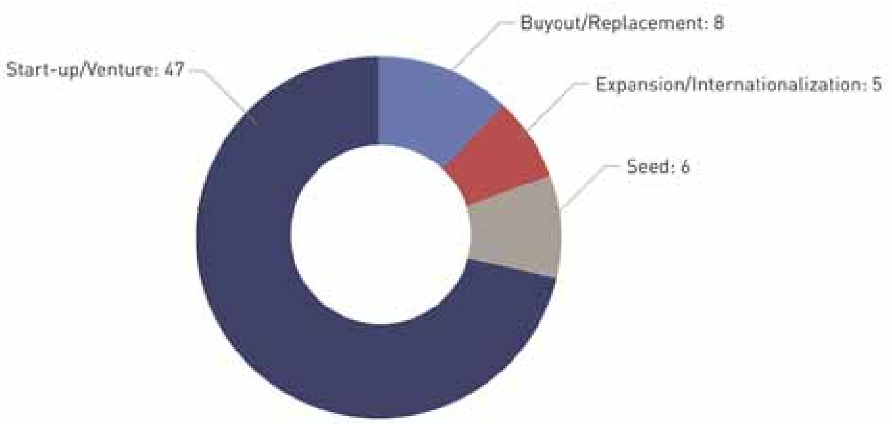
In the seed phase a large portion of the capital is public, while in the start-up/venture segment nearly 10% of the capital is public and represented by the public management company Investinor. In addition, there is a Norwegian public private equity fund-in-fund Argentum of more than € 800M, which invests in all Nordic private equity segments from start-up / venture to buyout.

Number of deals 2009 (seed-start up –expansion[5])

	Initial investments	Follow-on investments
Expansion / Internationalization	5	4
Seed	6	20
Start up / Venture	47	212
Total	58	236

The charts below show the number of new portfolio companies in existing funds during 2009.

Number of new portfolio companies in existing funds 2009

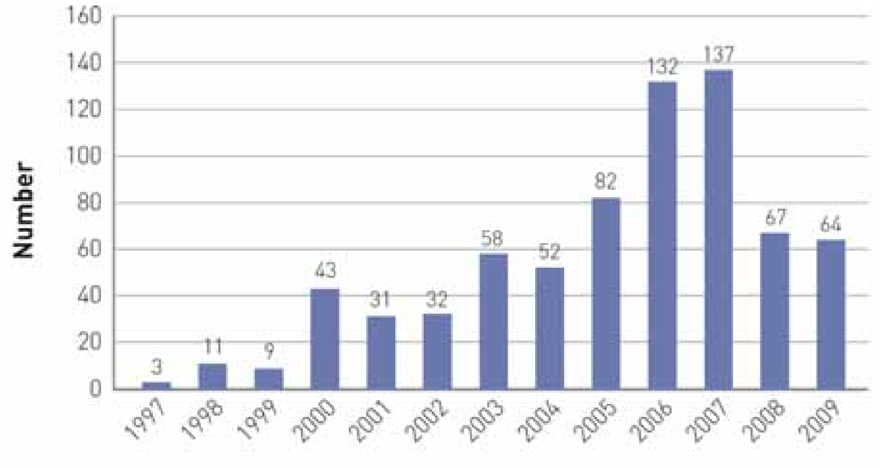


In 2009 66 initial investments were made in the seed, start up/venture and expansion/internationalization segment in comparison with 58 in 2008. Less investments were however made in the seed segment, 5 instead of 17.

The figure below shows the number of new portfolio companies by year, including new buyout companies.

[5] In addition, there are 26 investments, 2 in seed and 22 in start-up/venture which are not split between initial and follow-on investment.

Number of initial investments by year



Source: *Menon Business Economics and NVCA*

Lists of the present management companies in Norway in the seed and start up / venture capital segments are presented below.

Norwegian seed capital managers:

Atech Management AS
Bølgen
Campus Kjeller
Fjord Invest
KapNord
LEN/Såkorninvest Midt-Norge
Midvestor Management
Norinnova Forvaltning
Procom Venture
Pronord
ProVenture Management
Sarsia Seed Management
Sinvent / SINTEF
Spring Management
Sydvestor AS

Norwegian Venture Capital managers:

Alliance Venture
BTV Invest
Convexa
Energy Future Invest
Energy Ventures
Energy Capital Management
Ferd Venture
Hafslund Venture
ICON capital group
Incitia Ventures
Investinor
Kistefos Venture
Mallin Venture AS
Neomed Management
Northzone Ventures
O. N. Sunde Venture AS
Sarsia Management
Skagerak Venture Capital
Teknoinvest
TeleVenture Management
Venturos Venture
Verdane Capital
Viking Venture

5.2.4 Recent developments

In 2009, the Norwegian government increased Argentum's equity capital by NOK 2.25 billion, which further ensures Argentum's ability to invest in the market.

In 2008 a new public investor, Investinor AS was established in Trondheim. Investinor invests in Norwegian based, high potential companies that are internationally oriented and in the early growth to expansion phases. The company has NOK 2.2 billion under management and focuses on companies within the energy, cleantech, maritime, marine and travel sectors. The cleantech and marine sectors are of particular interest, with MNOK 500 earmarked for the latter. Investinor invests only in Norway.

Investinor AS has a co-investment strategy and can take up to 49 % equity ownership of a portfolio company. They co-invest with private players.

Investinor's focus is on early growth to expansion, but they invested also in the eatly stages. The organization was built up during the first part of 2009 and is now up and running. Investinor has made 13 investements of which five are in the companies backed by seed capital funds from the publicly founded schemes.

5.3 Looking ahead

Going forward there will be a continued need for high public activity in the seed phase to create experienced seed investors and contribute to a well functioning eco-system. Public funds will probably be set up with a larger capital base ensuring critical mass regarding capital resources as well as organization. It takes time to build a well functioning seed market and it is important for policy makers to be patient.

It is essential that the venture capital market continues to develop in order to create a sustainable market in the long term. It is also vital that more private capital is attracted to invest in the early stages.

In the Norwegian innovation system the combination of research, science parks, incubators, private investors, publicly funded seed capital funds and venture capital firms are all important factors in the creation of viable new companies.

6. The Swedish seed capital market

The following text outlines the main challenges and most important issues to resolve on the Swedish seed and venture capital market as seen from the perspective of Innovationsbron, the Swedish member of the Nordic Seed Capital Initiative. Innovationsbron is a governmental agency that focuses on commercializing research and innovation to create successful businesses. The statistics in the Swedish section have been provided by the Swedish Private Equity & Venture Capital Association.

6.1 Present status and recommendations

The venture capital market is vital for financing innovative start-up companies in order for them to grow into larger enterprises. As many studies have proven, venture-backed companies grow faster and in a more sustainable manner than their non-backed peers. Therefore, the maintaining of a strong and robust venture capital market is imperative for the growth of small and medium sized companies. Moreover, sufficient, adequate financing in all venture stages is of great importance in order for start-up companies to develop into growing and expanding enterprises.

Sweden has a high ranking on Innovation and R&D in various benchmarking reports and is also among the highest ranked regarding the percentage of venture capital in comparison to a country's GDP. Despite these facts, Sweden is considered to have a less favorable environment for entrepreneurs and business enterprises in terms of regulations and tax structures.

The Swedish venture capital market is currently under a great deal of pressure. The venture market has undergone major changes within the past year which have seriously affected the number of new companies receiving finance from venture capital firms. The risk aversion towards investing in the early stages has increased due to the financial crisis. More and more capital is being deployed in the latter stages of venture.

The governmental response to the financial gap in the early stages has been to increase the funding of later early stages and expansion through the launch of ALMI Invest, which has received funding from the EU structural funds, governmental agencies and regional players.

However, there is still a need for substantial initiatives in the seed capital stage, since the majority of private venture capital is becoming more risk avert.

There are several formal restrictions against cross border investment amongst the Swedish public seed capital investors. The public seed investors have restricted mandates to only support national growth. Furthermore, the investor need to be in a financial position to handle much complexity in dealing with cost due to cross border investments such as; contract rights, different economic law, tax issues and other regulations.

In order to increase the availability of venture capital in the market, we recommend that politicians and the public sector focus on specific areas:

- Ensure sufficient access to public finance in the early stages where there are no private investors due to high risk.
- Take measures to ensure that growing companies in the expansion phase have access to private and/or public capital and competence.
- Increased Nordic co-operation to attract international investors.
- The public Swedish seed capital system as a whole is in of need a system overview leading to changes to remove barriers that prevent cross border investments. The implementation of the Tax Incentives Investigation (Skatterabatt på aktieförvärv och vinstutdelningar- SOU 2009:33), would increase private capital by creating incentives for private investments in unquoted companies.
- Simplification of the regulatory framework and benchmarking with countries that have more encouraging business environments could lead to an increased possibility to commercialize more innovations and stimulate the growth of early stage companies.
- Creating an environment in Sweden where new venture capital and private equity funds can be set up without creating a double taxation situation for international investors.

6.2 Overview

The venture market in Sweden has, historically, been dominated by venture capital funds at least partly funded by the government. At the seed stage, many of the investments were made by venture firms with a clear connection to either university holding companies or incubators. When looking at the trends of 2009, the total number of investments in the seed stage has increased, while investments in start-up and expansion have decreased.

Number of venture investments by stage in Swedish portfolio companies during 2008 and 2009

Stage	Number 2009			Number 2008		
	Initial	Follow-on	Total	Initial	Follow-on	Total
Seed	24	30	54	21	23	44
Start-up	62	191	253	66	213	279
Expansion	26	100	126	43	160	203
Total	**112**	**321**	**433**	**130**	**396**	**526**

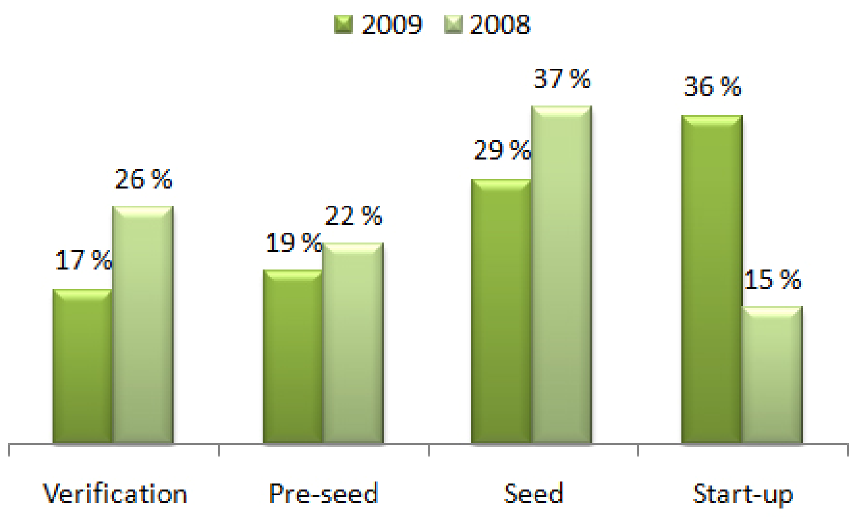
The trend for the amounts invested in venture during 2009 showed a substantial decrease in all stages.

Amounts invested in venture by stage in Swedish portfolio companies during 2008 and 2009

Stage	Amount 2009 (MSEK)			Amount 2008 (MSEK)		
	Initial	Follow-on	Total	Initial	Follow-on	Total
Seed	26	44	70	135	111	246
Start-up	393	1069	1462	864	1222	2086
Expansion	336	1119	1455	1312	2159	3471
Total	**755**	**2232**	**2987**	**2311**	**3492**	**5803**

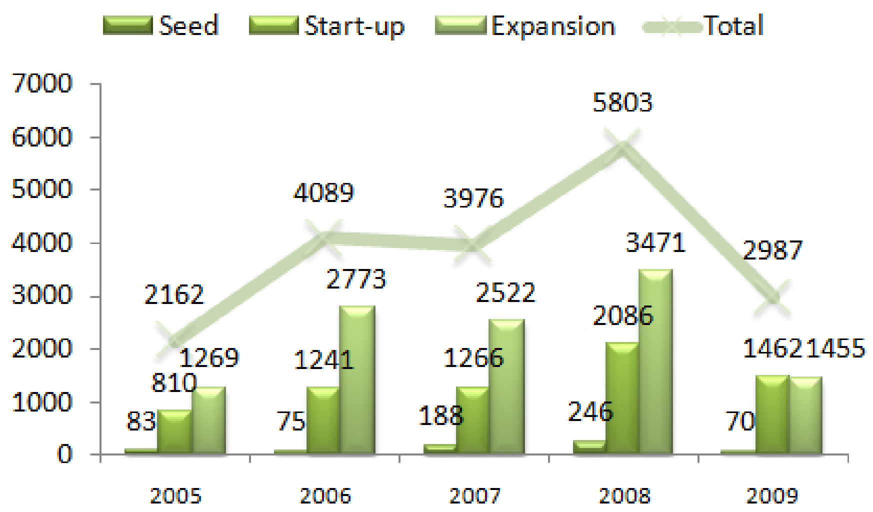
During 2009 a total of SEK 1.8 billion was invested in the seed and start-up phases in Swedish portfolio companies. The largest share went to the start-up phase in contrast to 2008 when the largest share went to the seed phase. Investments, both in monetary terms and numbers, have shifted towards later stages during 2009.

Shares invested by stage 2008 and 2009



The amount invested in Swedish companies within venture decreased by approximately 50 procent during 2009 in comparison with 2008. The number of investments decreased in all phases except seed.

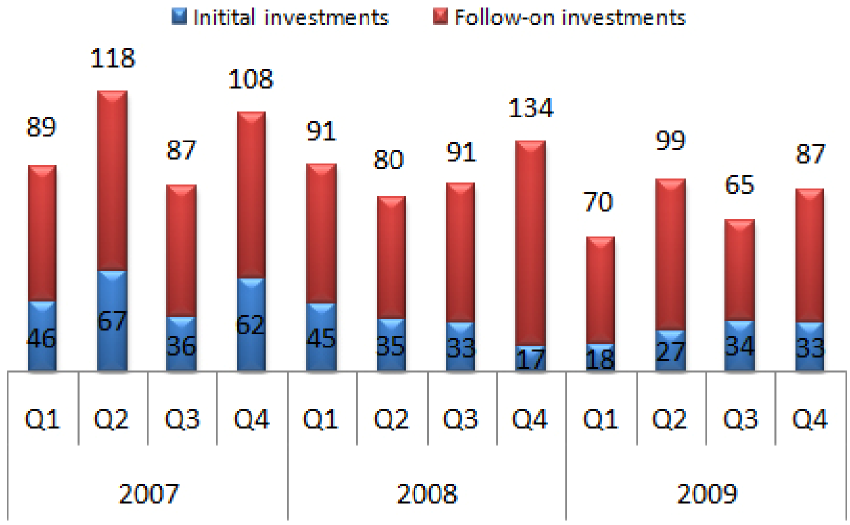
Amounts invested in Swedish portfolio companies within venture 2005-2009 (MSEK)



If one studies venture investments by foreign investors, the amount invested decreased from SEK 1 357M in 2008 to SEK 361M in 2009.

New venture investments decreased in 2009 compared to previous years. However, the last quarter of 2008 showed an upward trend and since then new investments have increased every quarter.

Annual venture investment activity in Sweden, by type of investment (MSEK)



6.2.1 *Incubators*

Innovationsbron runs a national incubator program, IBIP, to enable participating incubators to strengthen the flow of business ideas into the incubator environments, while creating more innovative new enterprises that generate growth. The vision for IBIP is that "Swedish Incubators are the most efficient in creating new business based on R&D and Innovations". The program includes a company and business development process, as well as activities related to benchmarking and the exchange of experience between incubators at national and regional level. These activities are open to all incubators.

- The incubators evaluated approximately 3 000 ideas during 2009. Just over half of the ideas originated from the academic sector.
- At the end of 2009 there were 500 projects and enterprises in the incubators. 140 projects and enterprices exited the incubators during 2009.
- The number of employees in incubator enterprices was approximately 3600 at the end of 2008.
- The turnover of the enterprices in the incubators reached SEK 2 500M in 2008.

6.2.2 *Business Angels*

Business Angels have also been a major source of funding for early stage companies. The financial crisis has had an impact on this, as the amount of capital per business angel has decreased due to the recession. The current lack of incentives for private capital investments in unquoted companies has also had an impact on the private investors' willingness to invest.

It is difficult to obtain reliable data on the annual number of investments as well as the amount invested by business angels in Sweden. The Swedish Agency for Economic and Regional Growth estimates an investment volume of at least 3 billion SEK annually.

6.3 Looking ahead

The Swedish venture market as a whole still faces many challenges. One example is the difficult exit market for seed capital investors as well as venture capitalists. Furthermore, the poor performance of many early stage funds may reduce the possibility to raise future funds, thus affecting new investments in early stage companies. Therefore in a foreseeable future, the government plays a vital role.

The government has launched an investigation, Innovations and Business Enterprises – Swedens' future (SOU 2008:121), to establish how the government should help to finance new SMEs in the future and which will determine future public financing. In March 2010 the government, in a bill to the parliament, among other, stated that there is a varying but continuous need for market complementary public financing for new, small and medium sized enterprises in Sweden. During periods of high economic growth as well as during recessions there is a need of directed public financing for enterprises within areas where there is a lack of a functional private market. The government intends to further investigate and analyze the existing supply of loans and similar measures in early stages as well as the supply of venture capital.

The lack of funds raised with an expected allocation to early stage investments is still a concern. Only 24 percent of the funds raised within venture during 2009, which totaled SEK 2 000M, is expected to be invested in either seed or start-up companies.

Since Sweden is a small market it would be an advantage if it were possible for investors to adapt a Nordic business perspective to provide competitive financial conditions for promising Nordic growth companies. However, we have identified some formal restrictions and other conditions that need to be in place for this to be a reality. For example, the current Swedish seed capital market has scarce resources. The funding is not sufficient to support the Swedish innovation system in the long term. Such a shortage could however be addressed in a future Swedish innovation strategy. A sustainable national seed capital system opens up possibilities for making cross-border investments that help to develop emerging technologies, and make the public private exchange a reality.

Since the Nordic countries have similar prerequisites, we should develop and value Nordic cooperation to an even greater extent. The Nordic model, with a mixed market economy, is strong by international standards and we could benefit from the extensive trade within the Nordic region, which would thus function as an international domestic market. As a consequence, we could jointly attract more international Venture Capital to promising Nordic growth companies.

7. The Danish seed capital market

The following text outlines the main challenges and most important issues to resolve on the Danish seed and venture capital market as seen from the perspective of the Danish public investor Vækstfonden.

7.1 Present status and recommendations

In order for the venture capital market to be effective in generating innovation and sustaining viable startup companies, it must be a coherent system. Thus, it is imperative that there are a sufficient number of investors in each development stage, and that these investors have sufficient funding to provide the capital needed to finance the development and growth of start-ups. Otherwise, start-ups funded in the seed stage risk facing a finance gap that impedes their development or leads to close down.

In Denmark, there are currently 10-15 venture funds investing in early-stage companies. However, only five of these funds have available capital to make new investments. As a result the majority of the Danish early-stage funds are focused on making follow-on investments.

The last couple of years few new funds have been raised. In late 2009, the Ministry of Economics and Business Affairs allocated € 67M administered by Vækstfonden, to the establishing of new funds to be raised in collaboration with private investors. This has already resulted in one new fund: SeeD Capital II – who raised € 60M in February 2010 in a first closing. In 2010 the fund raising activity, especially in early-stage funds, is thus expected to be higher than recent years.

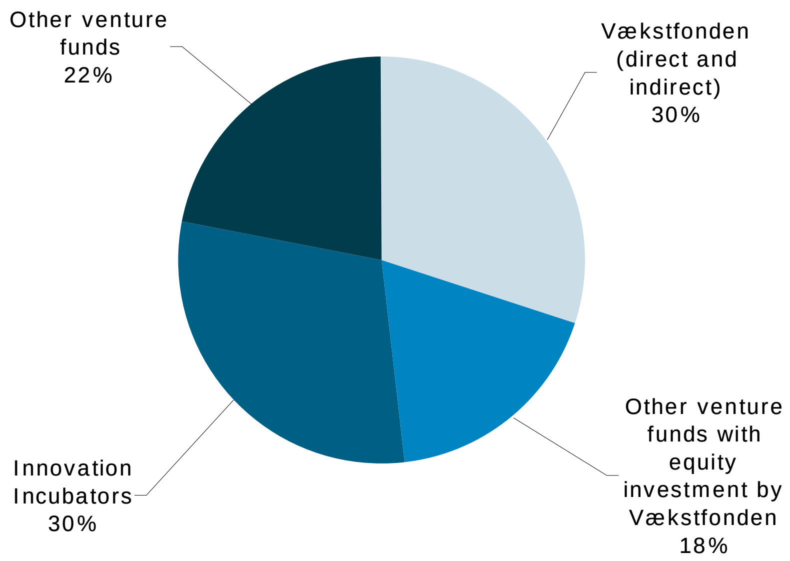
At present, the Danish venture capital market is facing a number of challenges:

- *Diminishing seed funding*
- *Small number of new investments*
- *Fundraising and investment capacity under pressure overall in the market*

7.2 Overview

In Denmark, the seed capital market is dominated by publicly funded investors – the Innovation Incubators, Vækstfonden and funds that have received substantial equity funding from Vækstfonden along with funding from private investors. Due to the high risk profile of this type of investment, the private investors have been hesitant to engage in seed stage companies. In total, the Innovation Incubators together with Vækstfonden invest 60 % of the seed capital. If the private investors, who have received equity investment from Vækstfonden, are added to this number, up to 78 % of the capital in seed stage companies is invested by funds that are backed entirely, or to a large extent, by public funding, cf. Figure 1.

Figure 1. Danish Seed Investors by Share of Amount Invested

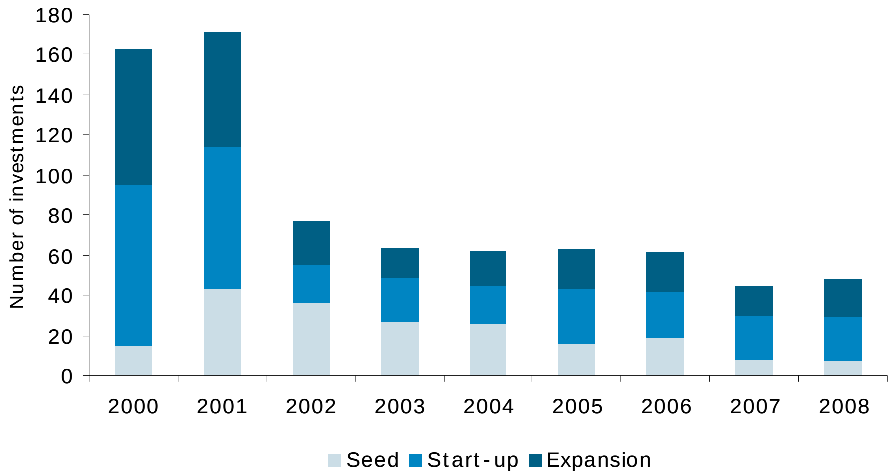


Source: *Vækstfonden*

Fully private funds, which make up 22 % of the seed investments, are for instance NOVO A/S, Via Venture Partners and Vecata.

Investments in seed companies reached an all time low in 2008 with only seven new investments by Danish investor, cf. Figure 2.

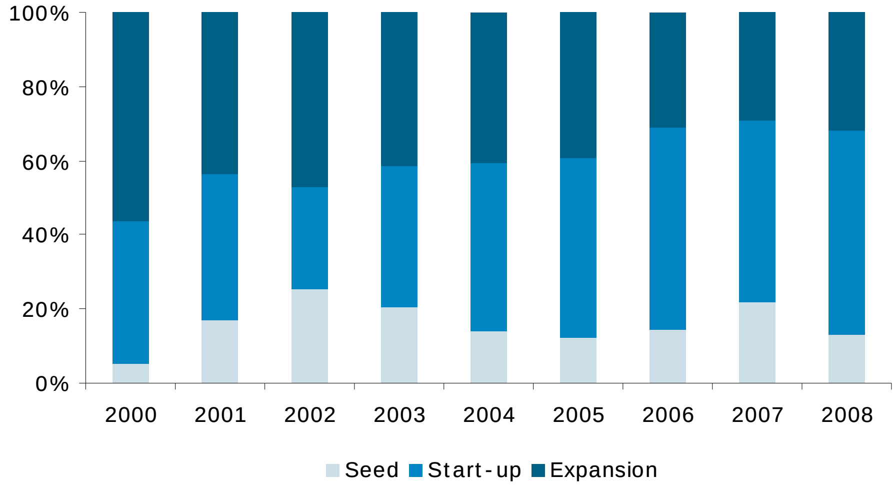
Figure 2. Number of initial investments in Denmark by stage



Source: *Vækstfonden*

While the number of investments has declined gradually since 2001, the overall investments in the seed segment in Denmark tend to fluctuate. In 2008 approximately 13 % of the total invested amount were invested in seed companies, down from 22 % in 2007, cf. Figure 3.

Figure 3. Investment activity in Denmark by stage



Source: *Vækstfonden*

7.2.1 Seed stage investing

The initial capital raised by start-ups has to be followed by further investments as the companies develop and start to scale their businesses. Consequently, each new investment in the seed stage creates a demand for available capital in the later stages of the venture capital market. Thus, seed investors have to increase their own investment in the company as it develop or seek to syndicate investments with investors who have the capacity to provide the necessary follow-on funding.

As the portfolios of post-seed investors encompass a growing number of companies, an increasing share of capital is allocated to follow-on investments in these companies. As a result, it is both relevant and useful to think of the venture capital market as a food chain, where seed investors have to be able to find other investors willing to invest in the further development of their portfolio companies.

As mentioned above, one of the most active investor segments in the seed stage is the Innovation Incubators (Innovationsmiljøer), funded by the Ministry of Science and Technology. The Innovation Incubators may invest in companies within the limits of the EU de minimis regulation.

In the period 2010-2012 additionally € 27M has been allocated to the Innovation Incubators. In addition, they may now invest up to € 0.8M per company – compared to € 0.5M earlier.

When the companies need more funding, private investors and Vækstfonden usually take over. According to FOIN, The Science Park Association in Denmark, upon receiving capital from the Innovation Incubators, companies have raised about € 360M from private investors in the period 2003-2007.

Every year about 10 companies from the Innovation Incubators attract venture capital from other venture investors in Denmark. Experience of the American venture market indicates that on average, while in the venture capital investors' portfolios, a company's cumulative demand for capital from the initial seed round through to exit is in the vicinity of € 54M.

Assuming that Danish companies have a funding demand equal to that of their American counterparts on an annual basis, companies from the Innovation Incubators will require a total of € 185M from other venture investors.

In recent years, Danish venture backed companies have attracted venture capital from international investors corresponding to half of the annual amount invested. With this trend as a prerequisite, € 93M of the annual investment capacity in the Danish venture capital market will need to be allocated to funding the most promising companies emerging from the Innovation Incubators. Consequently, companies started in the Innovation Incubators will require investments corresponding to 1/3 of the annual Danish venture capital investment capacity.

This example illustrates that in order for seed capital funding to generate sufficient and significant returns, a broad-based, vibrant venture capital market is necessary. Thus, seed funding has to be viewed in the context of the investment capacity of the venture capital market as a whole. In Denmark, the food chain seems to function well with the current investment activity in the seed stage. However, seed investors should be careful not to overextend their investment activity. Particularly since the current economic downturn has made it more difficult for venture funds to raise new funds.

7.2.2 Business angels

In 2006 Vækstfonden set up "Partnerkapital", a business angel matching fund to co-invest with business angels. The purpose of this fund is to increase the investment capacity of business angels and to improve access to the competencies of experienced business professionals who are dedicated to investing in innovative and growth oriented companies. To date, Partnerkapital has made eight investments.

7.3 Looking ahead

The Gazelle Growth Program is one recent initiative intended to boost go-to-market strategies for Danish start-ups aspiring to penetrate the market. As part of this program, selected start-ups, are paired with a mentor, who has hands-on experience of setting up business and is able to help with the design of an effective roll-out plan to attack the market. Moreover, the selected start-ups participate in a series of workshops and targeted pre-marketing trips.

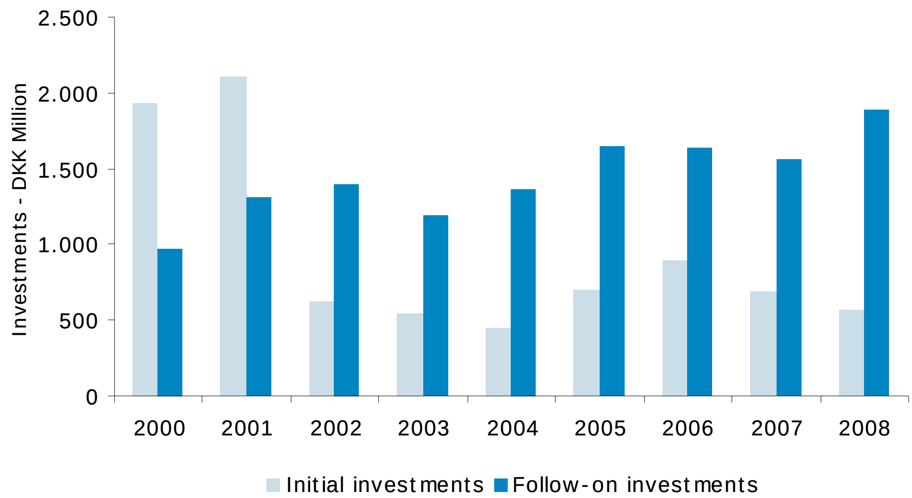
Issues being discussed at present primarily relate to fundraising for funds operating in the start-up and expansion stages as well as the performance of the venture segment as a whole. With a large number of the portfolio companies in the late stages, follow-on investments make up the lion's share of the annual investments, to the detriment of new entrepreneurs looking for start-up capital.

As part of the challenging climate in the Danish venture capital market, venture funds are facing increasing pressure from current and potential limited partners to deliver results on past investments before they will see new funds flowing into the market.

Data from the annual report on investment activity in the Danish venture capital market contain some revealing facts. On the positive side, overall investment activity was up by 22 % in 2008, driven by a strong increase in follow-on investment. This is an important sign of vitality in that it indicates the commitment and capacity of Danish venture capital funds to continue funding their portfolio companies through the economic slump toward an exit.

However, the drying up of funds available for new investments has caused a decline of 25 % in new investments, pushing the activity below the 2005 level, cf. Figure 4.

Figure 4. Annual venture investment activity in Denmark by type of investment



***Source**: Vækstfonden and DVCA*

As a result, the Ministry of Economics and Business Affairs allocated € 67M in 2009, administered by Vækstfonden, to the establishing of new funds to be raised in collaboration with private investors.

Members of Nordic Seed Capital Initiative

Innovation Norway

Innovation Norway's objective is to promote private and socio-economically profitable business development throughout the country, as well as to promote the commercial opportunities of the districts and regions by encouraging innovation, internationalisation and image-building. The state owned company employs over 800 people. Innovation Norway has offices in every Norwegian county and in more than 30 countries world wide. The head office is situated in Oslo.

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Innovationsbron

Innovationsbron is a Swedish public organization focusing on turning research and innovation into international growth companies. Innovationsbron´s vision is for Sweden to become an international leader in commercializing research-related business ideas. It supports researchers, innovators and entrepreneurs by translating their ideas into business. Innovationsbron´s role is to develop the Swedish Business Incuabtor Industry and provide Seed Capital to potential growth companies.

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Veraventure

Veraventure, with assets under management exceeding € 100m, is one of the largest early stage funds in the Nordic countries. Veraventure makes direct investments in early-stage research, development and innovation intensive enterprises. It also acts as the hub for early-stage venture capital and Angel investors as it manages a national business angel network with over 100 registered Angel investors.

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Nordic Investment Solutions

Nordic Investment Solutions (NIS) is an independent Nordic private equity advisory firm based in Stockholm. The services provided by NIS include; Strategic advice and non-discretionary advice for institutional investors, advice on strategy and financing for companies and Nordic facilitation aimed at creating relevant business opportunities.

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norden

Nordic Innovation Centre

Nordic Innovation Centre

Nordic Innovation Centre (NICe) is an institution under the Nordic Council of Ministers facilitating sustainable growth in the Nordic economies. Our mission is to stimulate innovation, remove barriers and build relations through Nordic cooperation. We encourage innovation in all sectors, build transnational relationships, and contribute to a borderless Nordic business region. We work with private and public stakeholders to create and coordinate initiatives which help Nordic businesses become more innovative and competitive. Nordic Innovation Centre is located in Oslo, Norway but has projects and partners in all the Nordic countries.

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