

**Introducing the NVPI
– Nordic Venture Performance Index 2014**

**Nordic Venture Capital has created
superior returns since 2000**



Introducing the NVPI - Nordic Venture Performance Index 2014

The purpose:

The NVPI has been created to for the first time establish a credible Index showing the actual returns from the Nordic Venture Capital market. The index will be an efficient tool in marketing the Nordic venture capital and startup market and will lead to more capital invested into innovative Nordic companies.

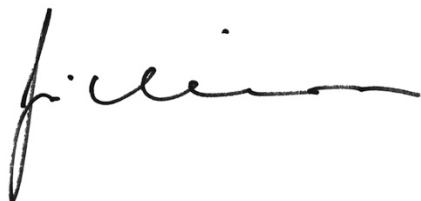
The sample:

The NVPI includes 8 venture capital firms, 26 funds and 515 portfolio companies, and describes the period from 2000-2014. The Index is based on full cash flow information from all participating funds.

The execution:

The NVPI-project has been executed by Henrik Talborn, who is also active at the Swedish House of Finance. Partial financing and support have been received from Nordic Innovation, an institution under the Nordic Council of Ministers.

Jari Mieskonen
Chairman of Nordic Venture Network 2015 -
Managing Partner, Conor Venture Partners



Erik Hagen
Chairman of Nordic Venture Network 2011-2015
Managing Partner, Viking Venture



Nordic Venture Network, NVN – The Nordic Gateway since 1999



Nordic Venture Network

Nordic Venture Network (NVN) is the unique club of the 9 (2014) leading technology venture capital firms in the Nordic region. NVN is a strategic tool for relevant international parties wanting to cover the Nordic technology venture capital market in an efficient way.

Since all leading Nordic based technology venture firms are members of NVN, the members comprise the lion's share of the Nordic technology venture capital market. Today, the members have between them more than 2.5 billion EURO under management, 500 portfolio companies and 100 investment professionals. The nine sponsors of NVN are leading institutional investors in the Nordic countries.

www.nordicventure.net

NVPI – Participating NVN firms:

CONOR



CREANDUM

Sunstone
Capital

Northzone



Nordic venture capital has created superior returns since 2000

The Net Returns for the Index are higher than for the public markets 2000-2014:

The net returns, measured as Net IRR, for the Nordic Venture Performance Index has outperformed selected relevant Nordic public market equivalents and NASDAQ 100 since 2000.

Analysis indicates that the final net returns will be substantially higher when the effect of the fee structure of VC-funds is taken into account. The Estimated Net Realised Returns points at returns higher than 20%.



The Gross Index has outperformed the public markets

The Gross Index has clearly outperformed Nordic PME and NASDAQ since 2000:

The Nordic Venture Performance Gross Index has created excess value compared to the Public Markets Equivalents during nearly all periods from 2000-2014.

The Gross Index has between 2000-2014 reached a multiple on total invested capital of x2.08 compared with x1.53 for the Nordic Small Cap Index and x1.61 for NASDAQ 100.



Manager selection important but majority of funds create positive returns

A large majority of venture capital funds make positive returns:

Index analysis show the importance of selecting the best venture capital fund managers. However, 75% of a all funds more than 3 years old in the sample show positive returns. Choosing the right manager is thus more about finding superior returns than about avoiding losses in today's mature market.

Funds with positive returns

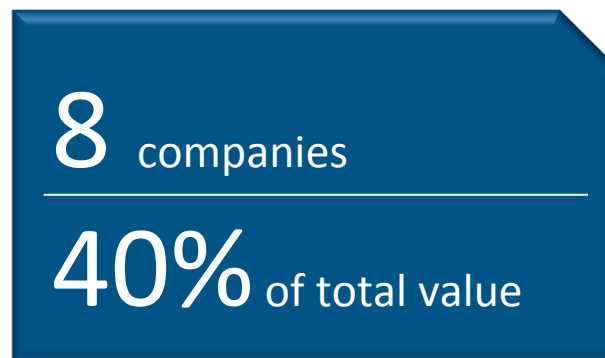
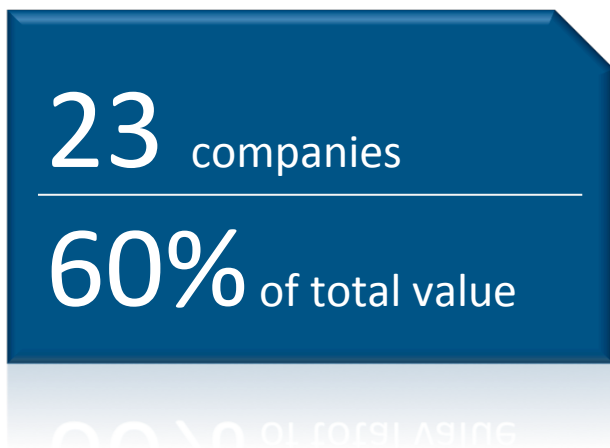
75%

12%

Venture Capital remains a game of outliers – many companies contribute

The stars of the portfolios create the excess returns:

As expected, the star companies create the excess returns of the index. However a large number of companies have contributed to the value creation since the 23 most successful companies account for 60% of the value. The top 8 companies account for 40% of the total value.



Contact information and financial support

Contact information

If you have any questions regarding the research, please contact the Executive Management of Nordic Venture Network:

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