



Vækstfonden

March 2007



Vækstfonden **– Danish Government Backed Investment Fund**

Our Vision:

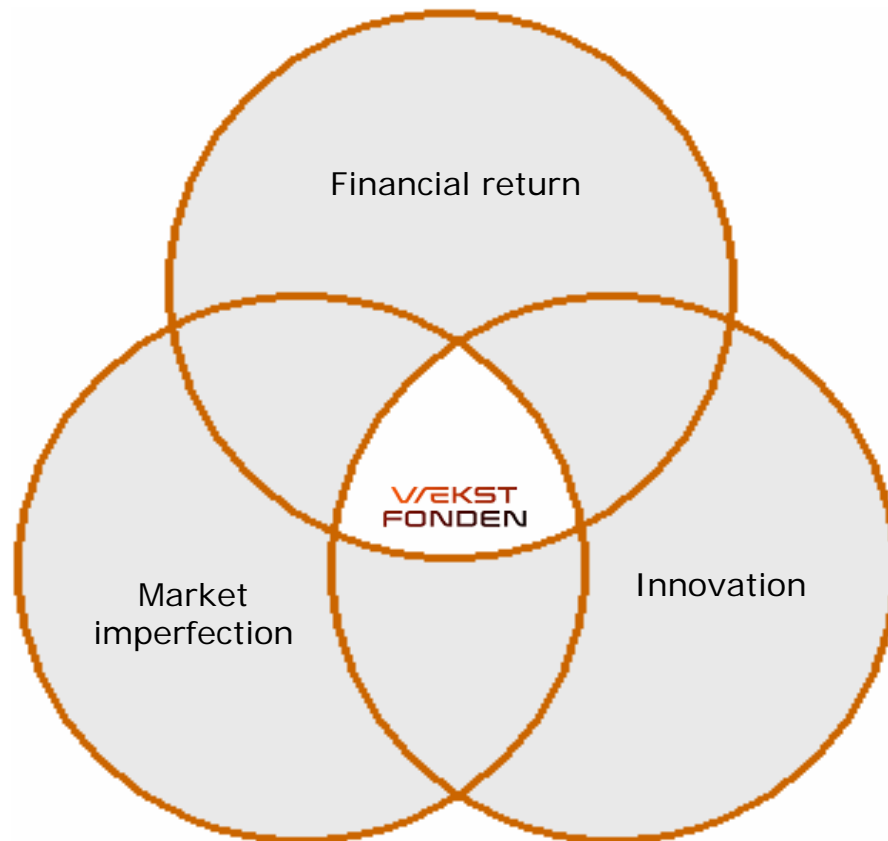
*To Make the Danish Market for Innovation Finance the
Best Performing in Europe*

Our Background:

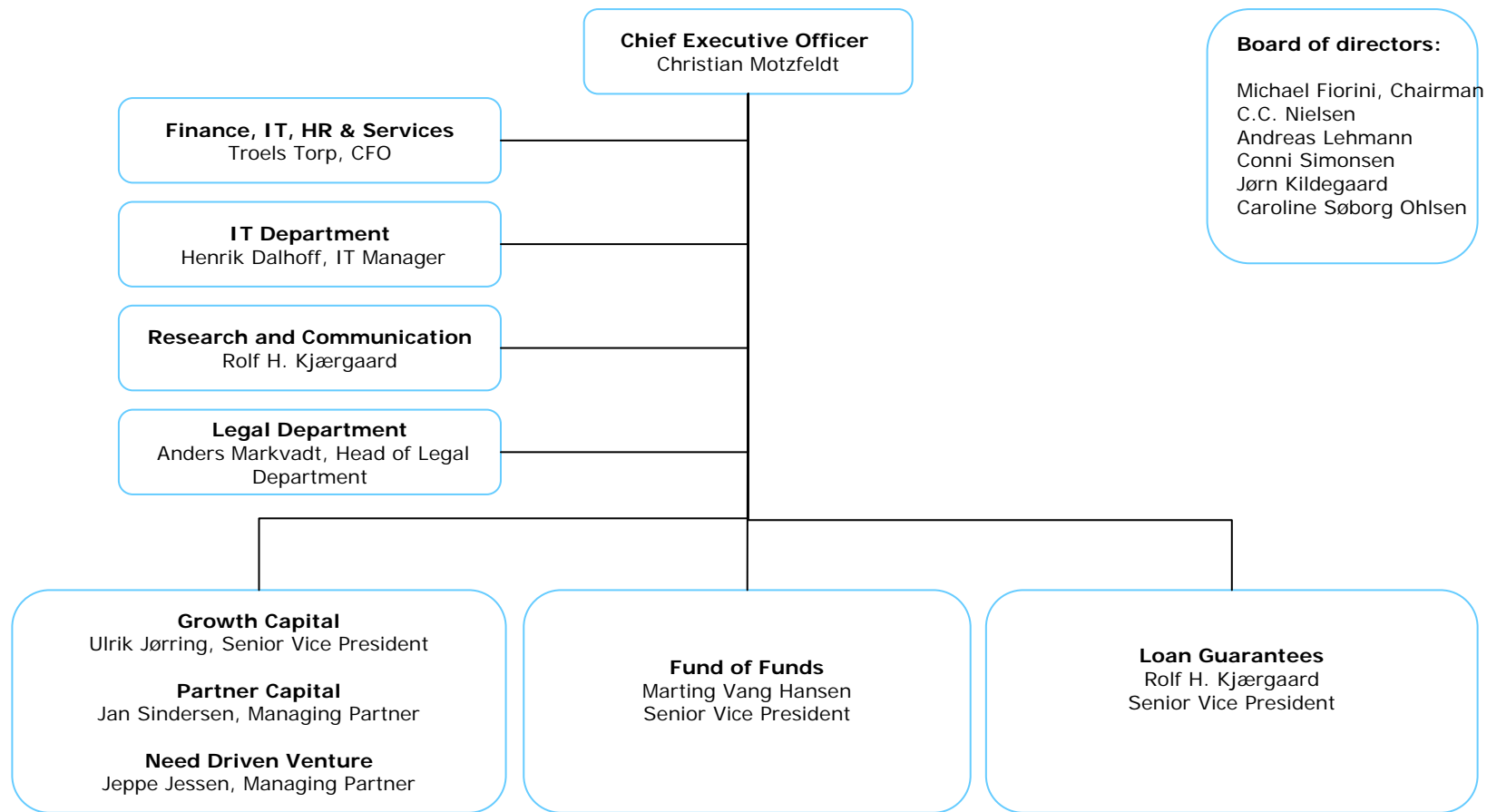
- \$400 million under management
- Change of strategy in 2001 – from provider of subsidized loans to equity investor
- Comprehensive funding strategy
 - venture capital, fund-of-funds, and loan guarantees



Leveraging Strategy



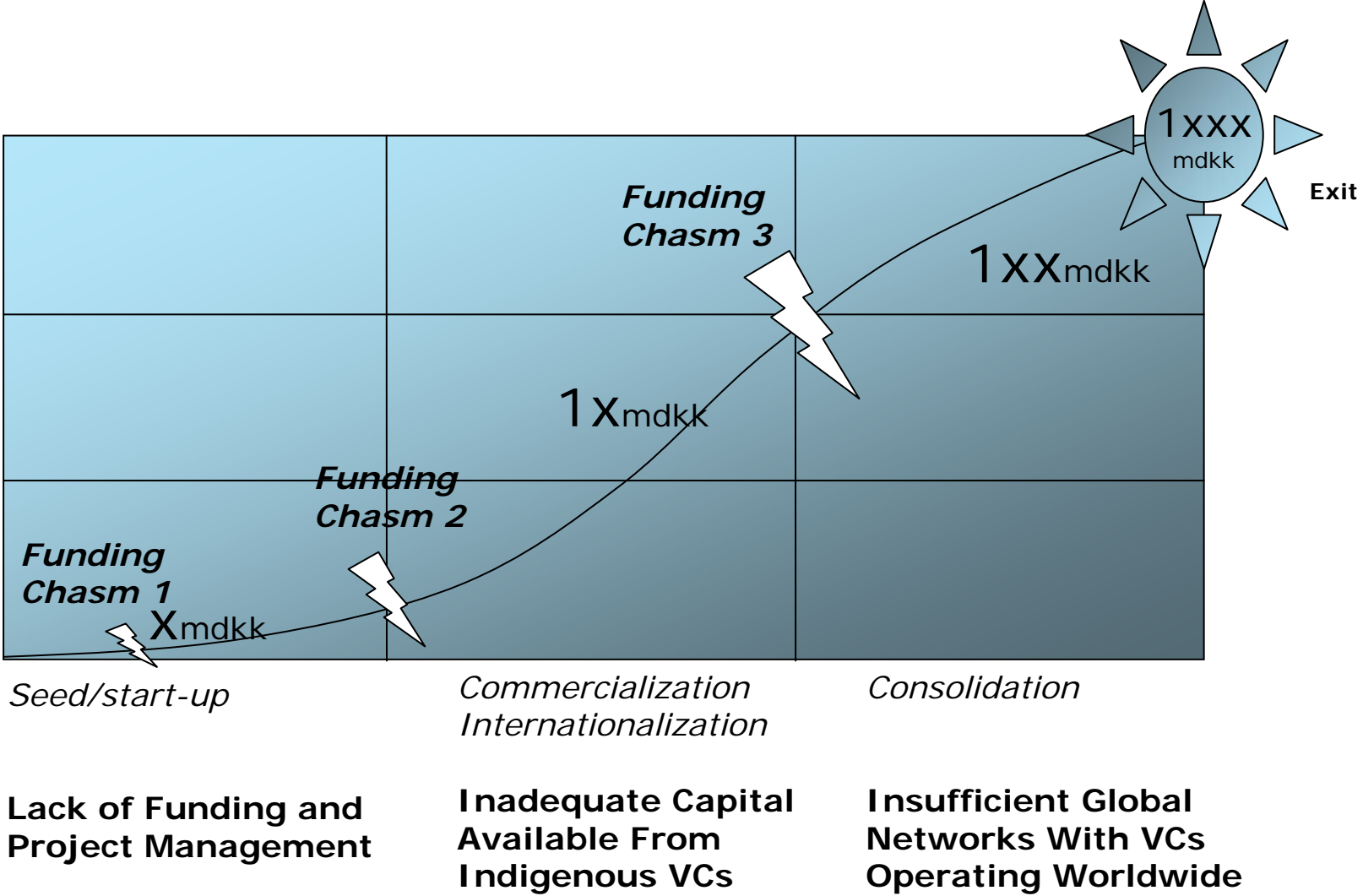
- Funding provided on commercial terms
- Yet careful not to crowd out private investors



	Growth Capital	Fund of Funds	Loan Guarantees
Description	Direct investments into early stage SME. Investments made through equity or (convertible) debt.	Investments in VC funds with focus on investments in early stage SME and small buyouts.	Loan guarantees are provided to SME in co-operation with Danish banks.
Investment size	\$ 0.4 - 8 Million	\$ 8 - 20 Million	\$ 0 - 1 Million
Investment professionals	14	3	4
Annual investments	\$ 40 - 60 Million	\$ 40 - 60 Million	\$ 40 Million 200 loan guarantee commitments



Key Challenges in the Danish and Nordic VC Markets





Balanced Funding Approach

Strategic Positioning as Leverage on Private Venture Capital

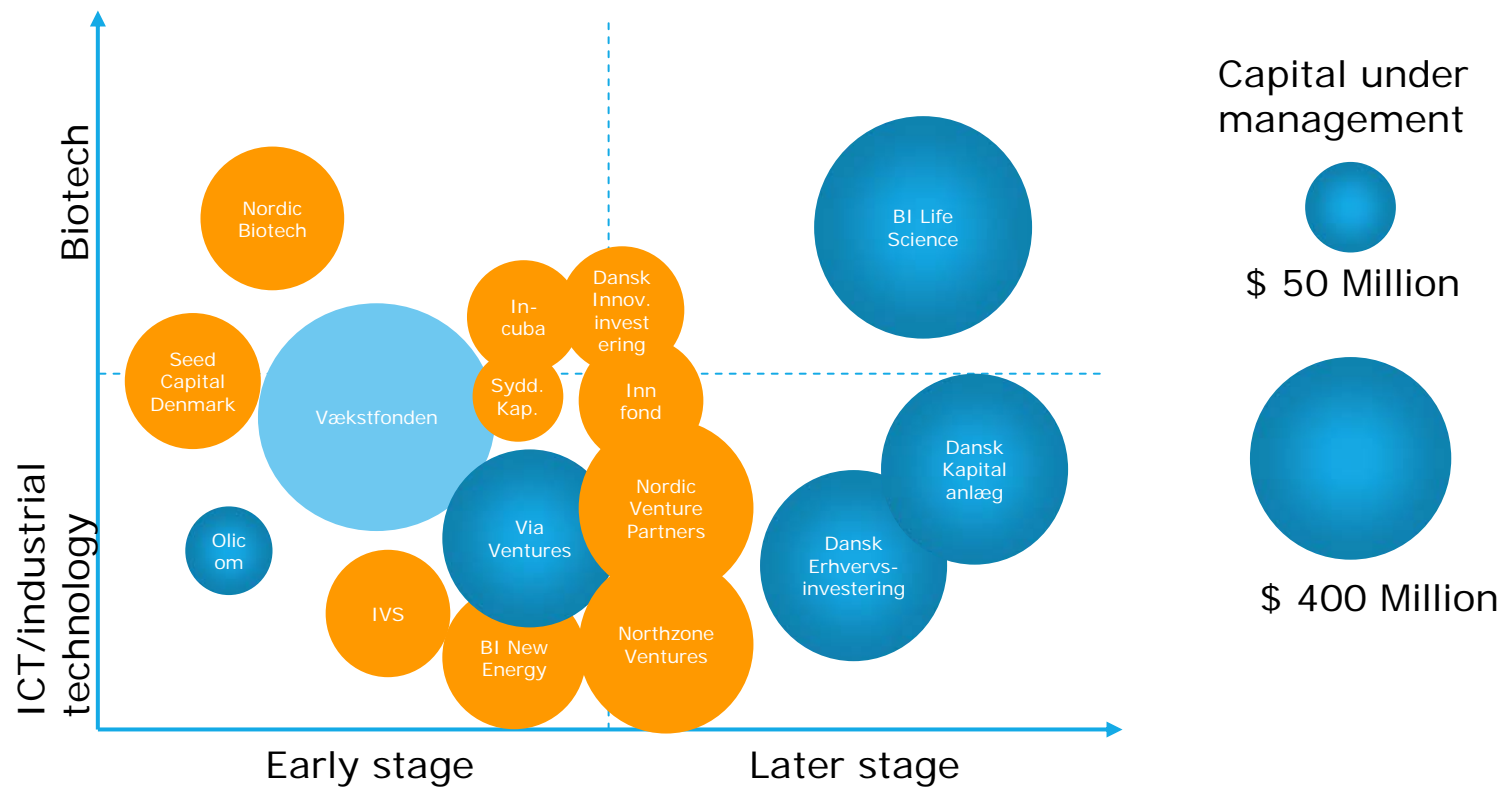
- FoF Portfolio 14
- Commitment \$ 225 Million

- Equity stakes 60
- Loans 80
- Commitment \$ 300 Million

- Loan guarantees 700
- Commitments \$ 300 Million



Gradually Expanding Venture Capital Market

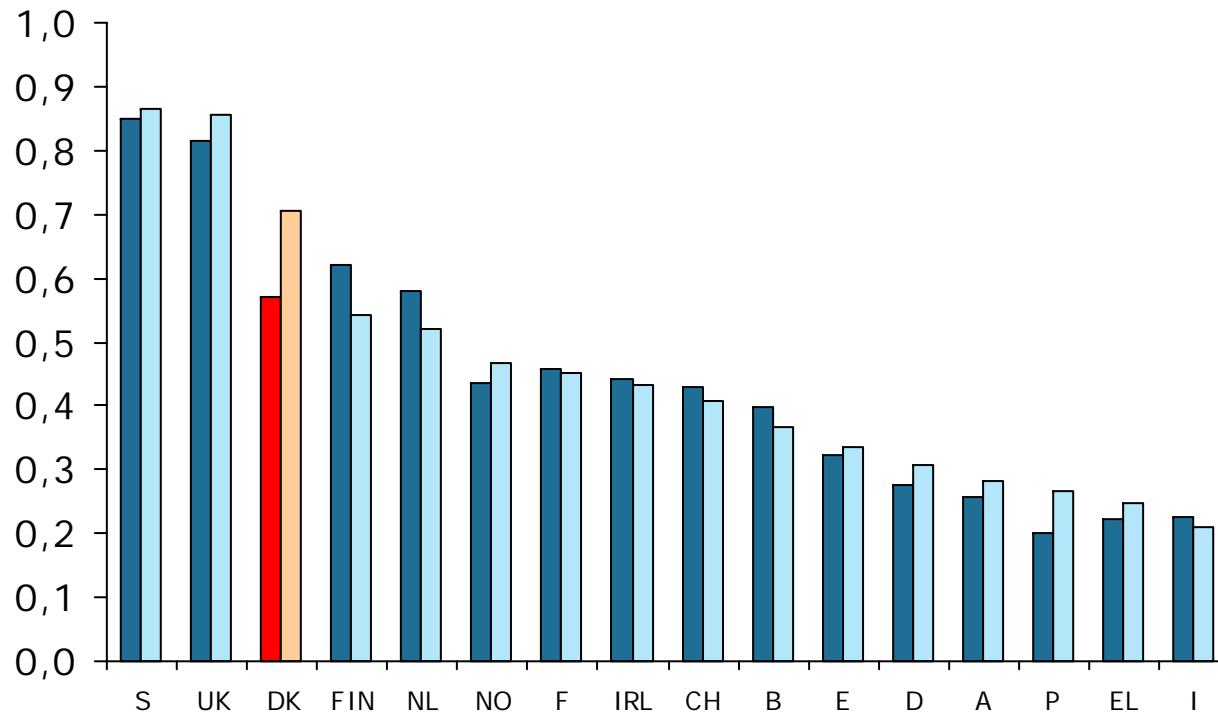


Strong leverage effect from Vækstfonden's involvement



Danish Market Nearing European Top.....

Benchmark indicator on access to venture capital 2005/2006

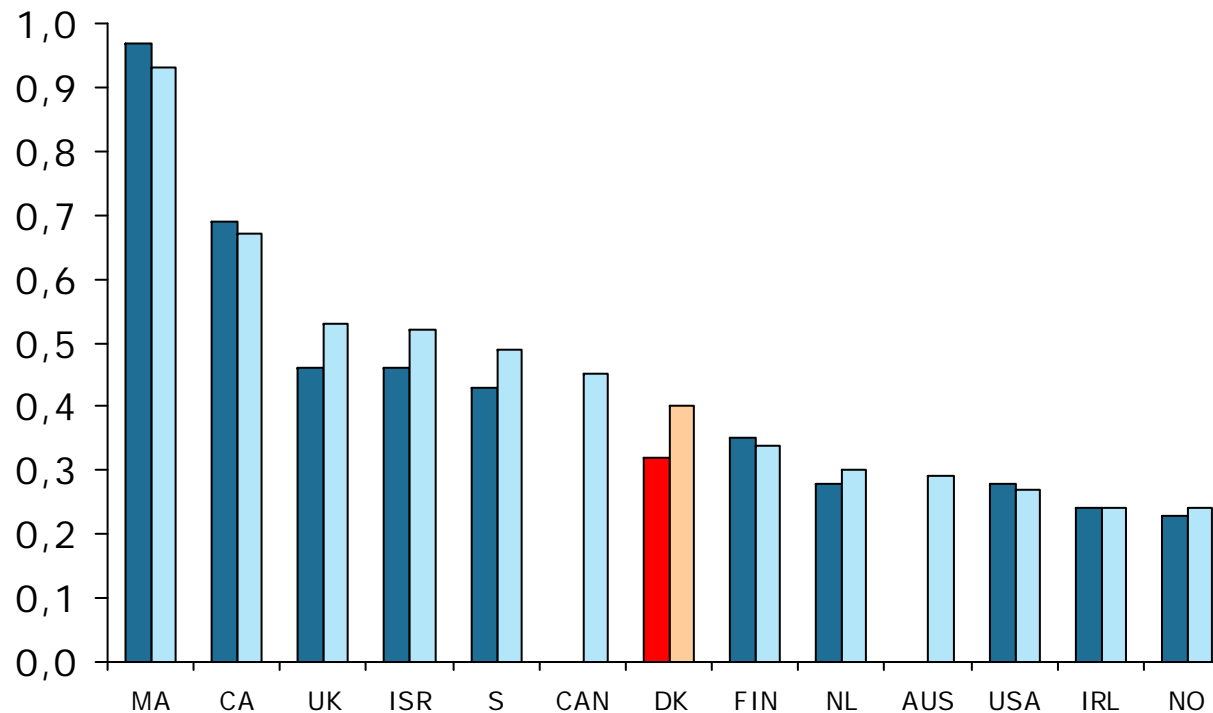


Kilde: EVCA, Vækstfonden, Global Competitiveness Report



... But Room for Improvement in Global Context

Benchmark indicator on access to venture capital 2005/2006

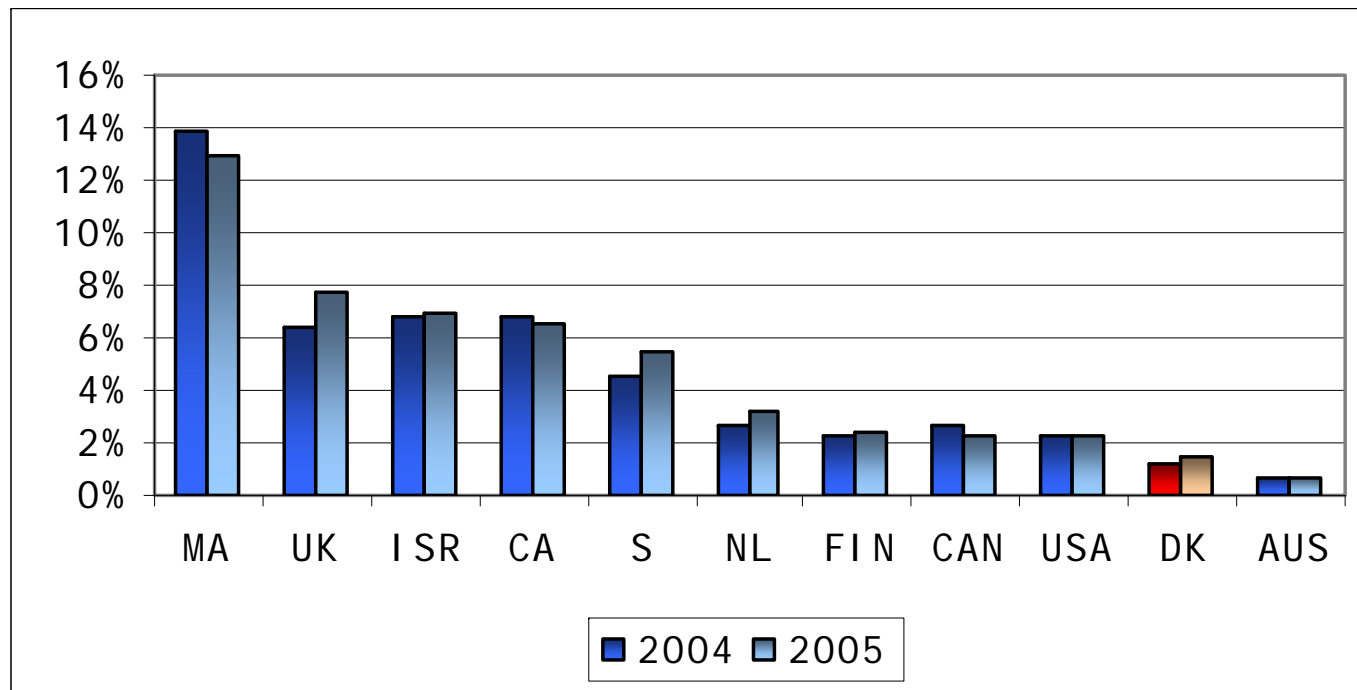


Kilde: EVCA, Vækstfonden, Global Competitiveness Report



Capital Under Management

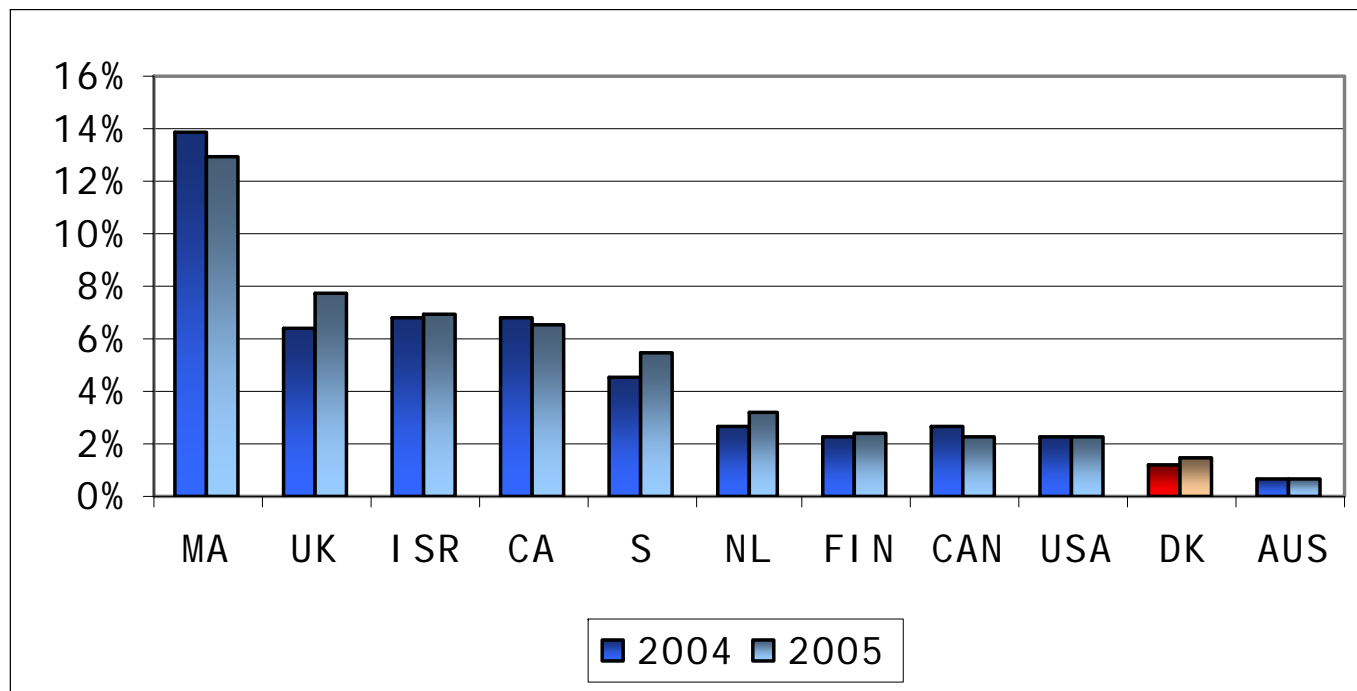
% of GDP





Venture Capital Investments

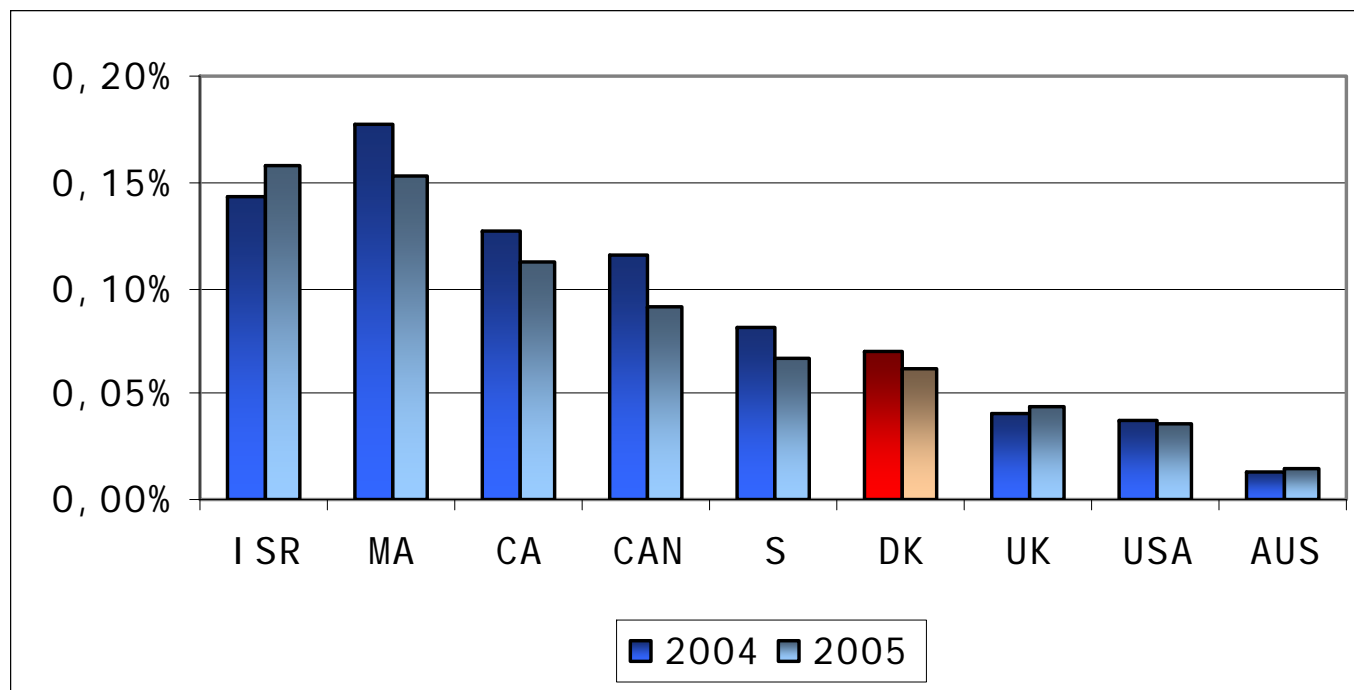
% of GDP





Early-stage Investments

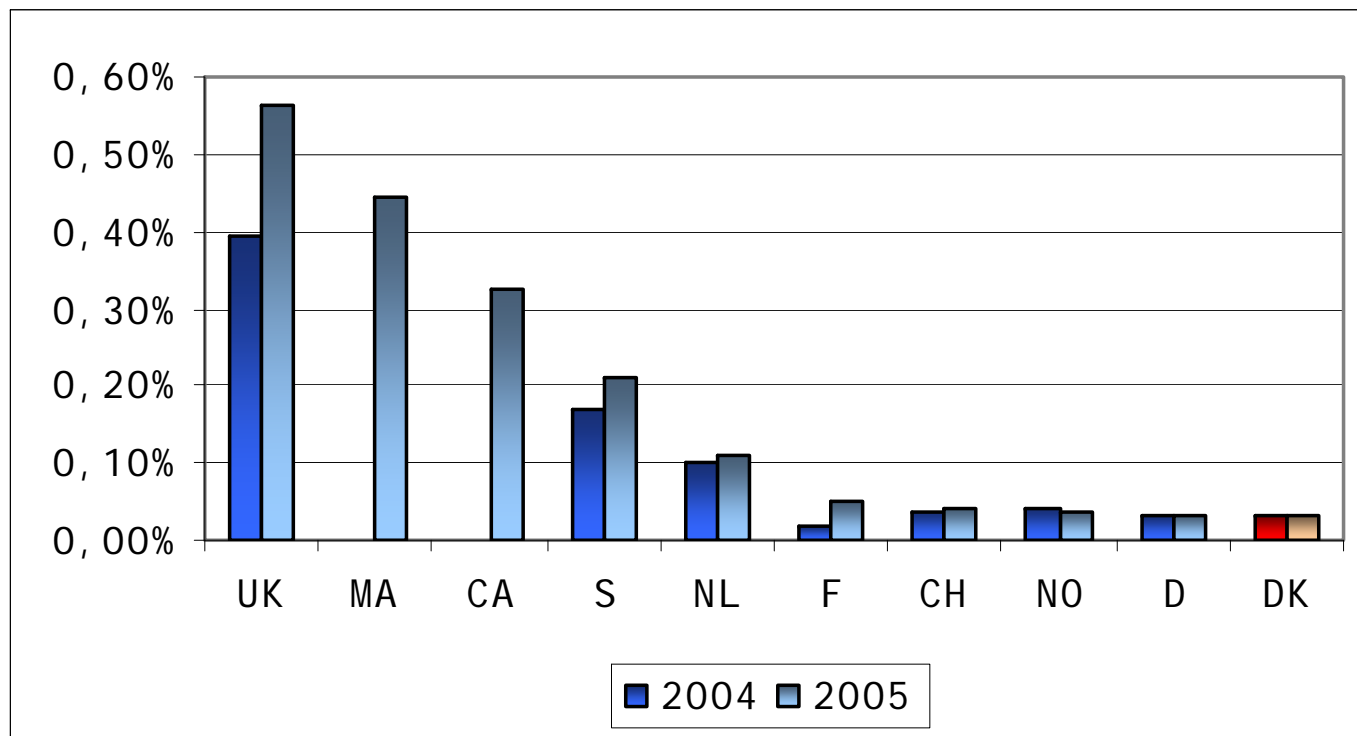
% of GDP





Investments Abroad By Local Investors

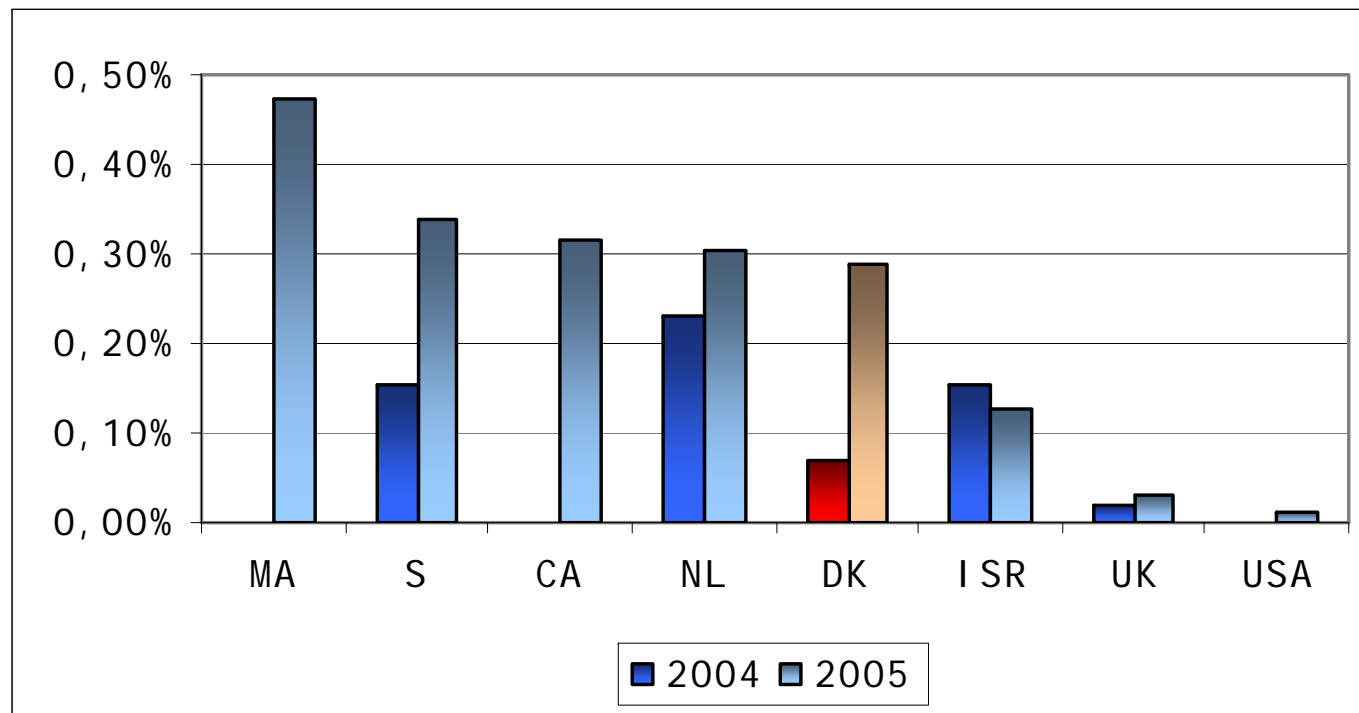
% of GDP





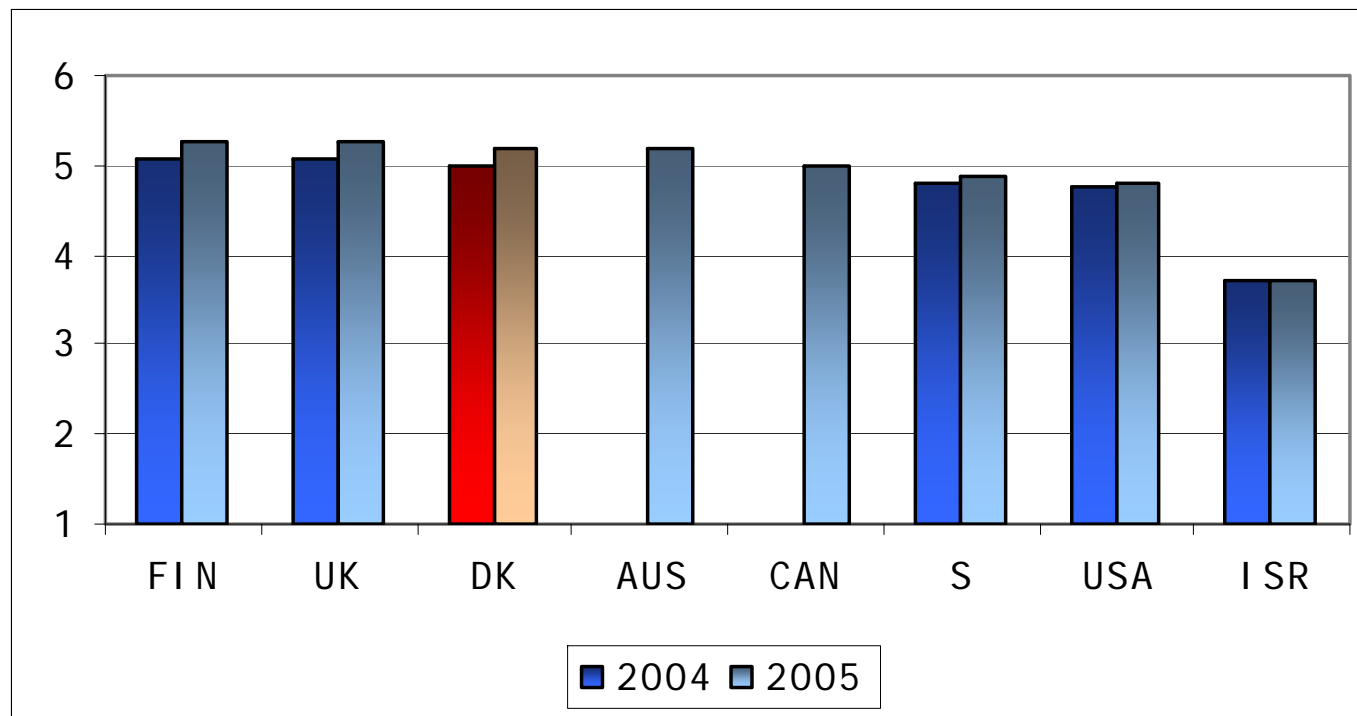
Local Investments by Foreign Investors

% of GDP



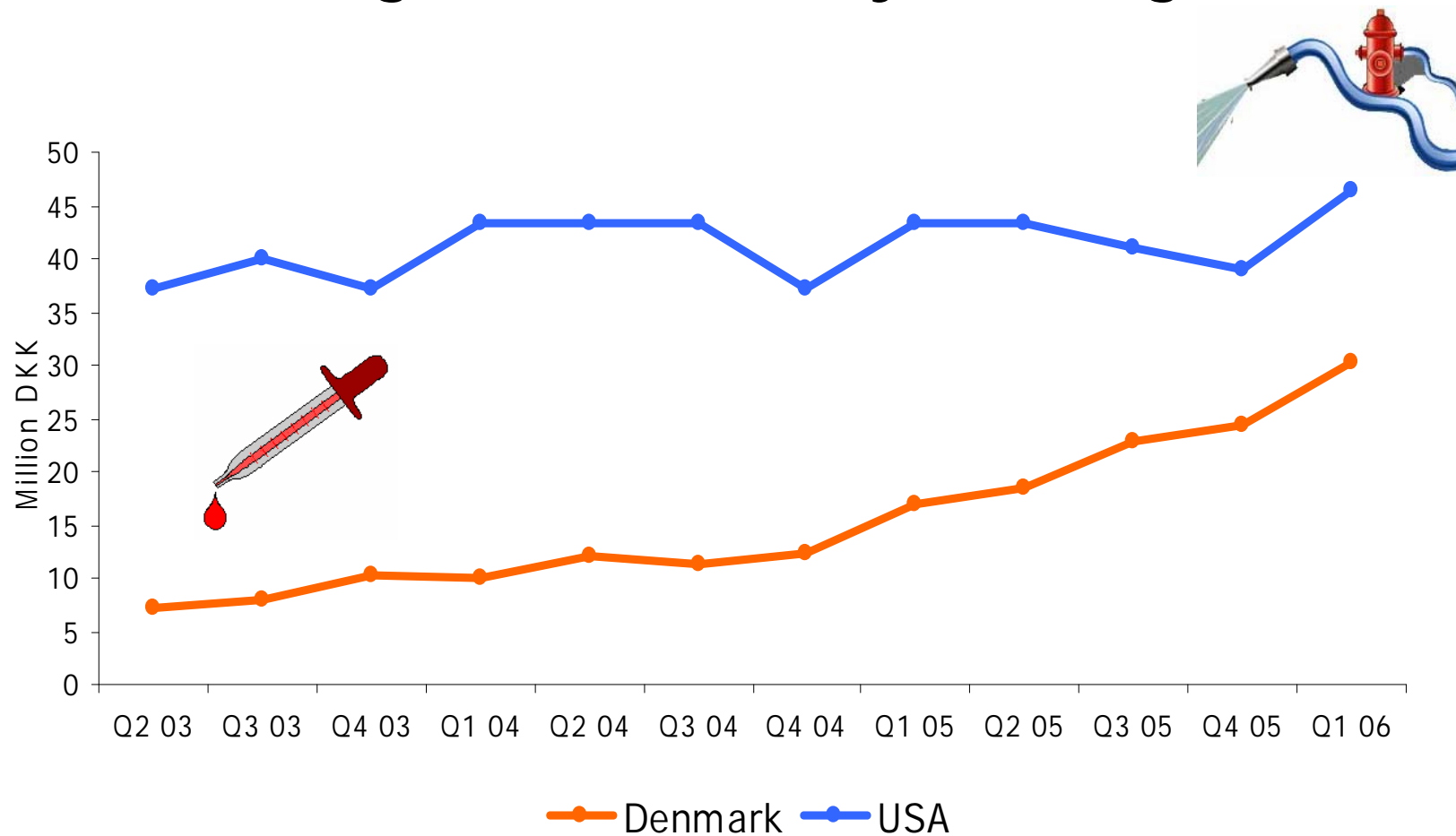


Access to Debt Finance





... Funding Rounds Steadily Climbing....

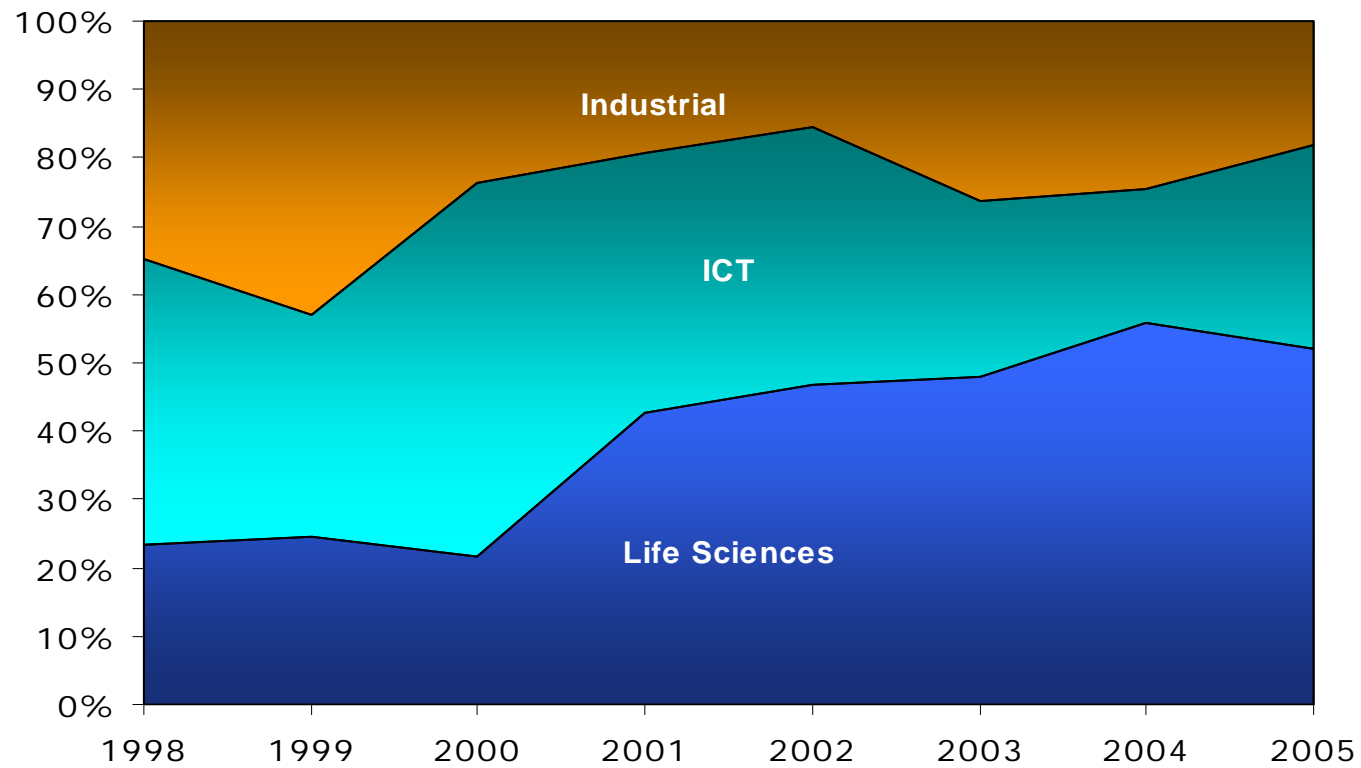


Kilde: VentureEconomics og EVCA



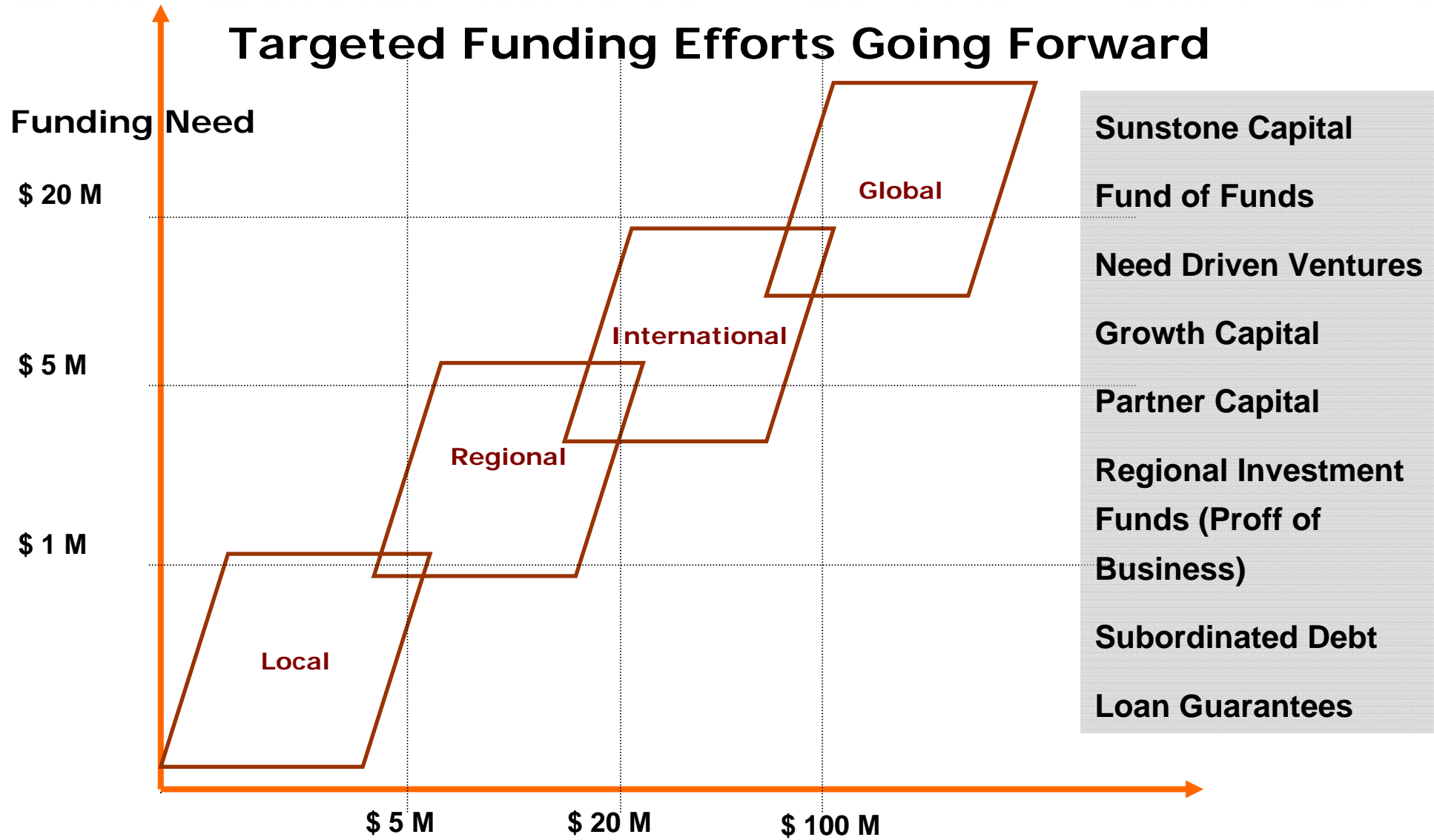
... and Life Sciences Taking the Lead

Share of total VC investment





Targeted Funding Efforts Going Forward



Potential Revenue