

Capital sources in Denmark

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Key discussion points

1

Difference between Danish and Swedish IPO markets
- from my personal point of view

2

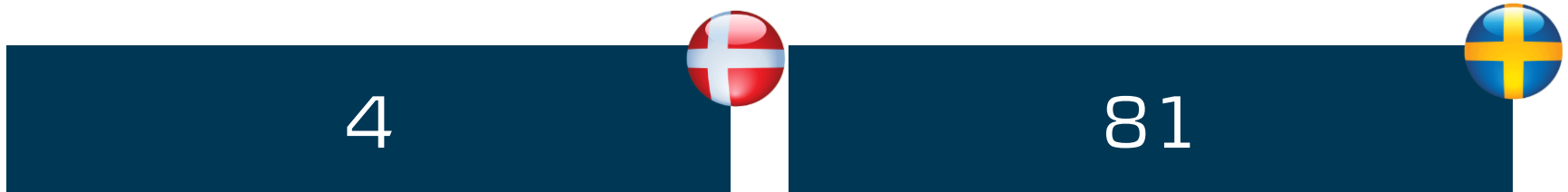
Is there potential for a small-cap market in Denmark?

3

How can Danske Bank contribute as market player?

The Danish vs. the Swedish IPO market

of IPOs since 2014:



Key differences in perceptions:

- Lower appreciation in being a listed company
- Corporates perceive an IPO process as comprehensive and complex
- Increasing availability of alternative capital sources
- To some extent lacking risk appetite among investors

- Pride in being a listed company
- IPO process more efficient and listing costs are lower than in DK
- More positive attitude and interest in IPOs as growth strategy
- Higher risk appetite and understanding of risk among investors

Risk appetite in the Swedish IPO market



1yr performance in Swedish IPOs (#IPOs)

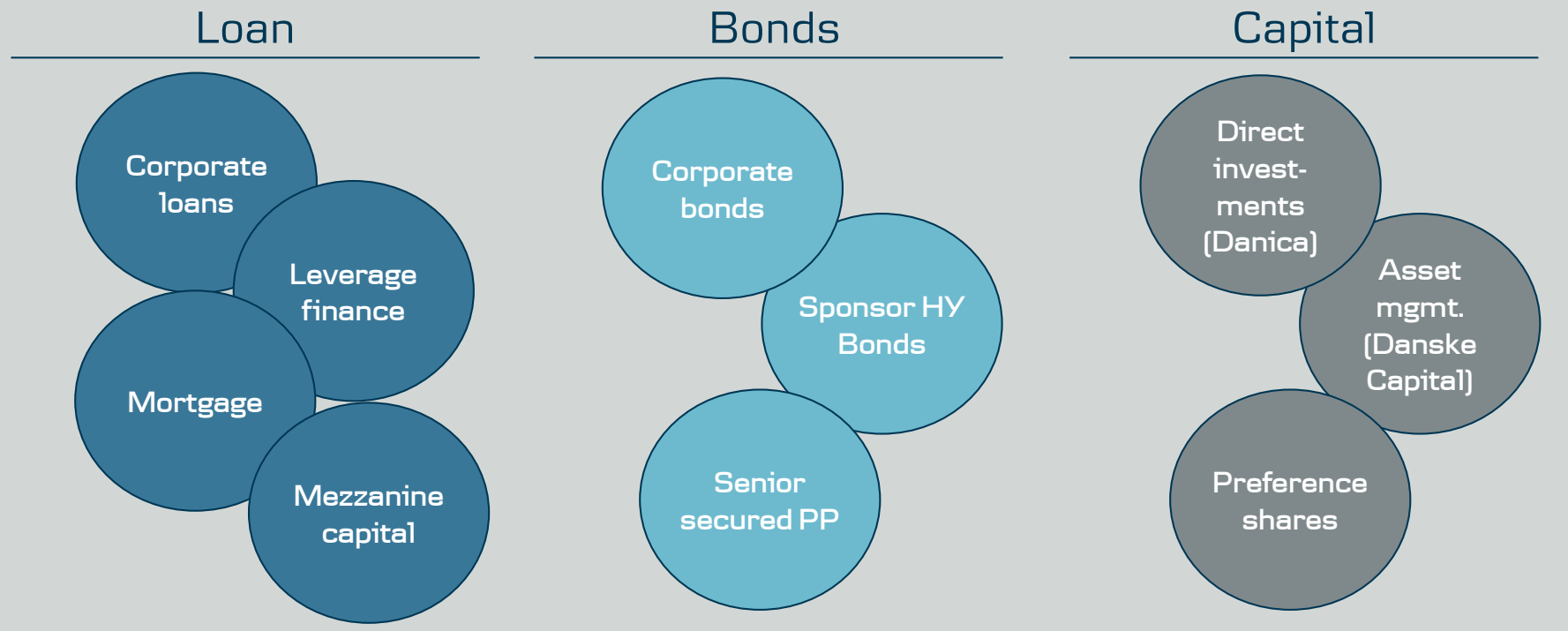


Source: Dealogic

*Only IPOs > 1 year old included

On one side, potential seems low - as there are many capital alternatives available

Our increasing offerings of capital sources serve as alternatives to IPOs which, to some extent, pushes IPOs further down the list



An example of a recent innovative capital alternative – Danica’s direct investment strategy

Danica’s approach

- Building a DKKbn 10-15 Direct Investment portfolio
- Invest in Nordic **small and mid sized** corporates across all sectors
- High quality companies with a superior management team
- Investment size typically DKKm 150-400
 - Equity capital only minority investments

Ordinary shares

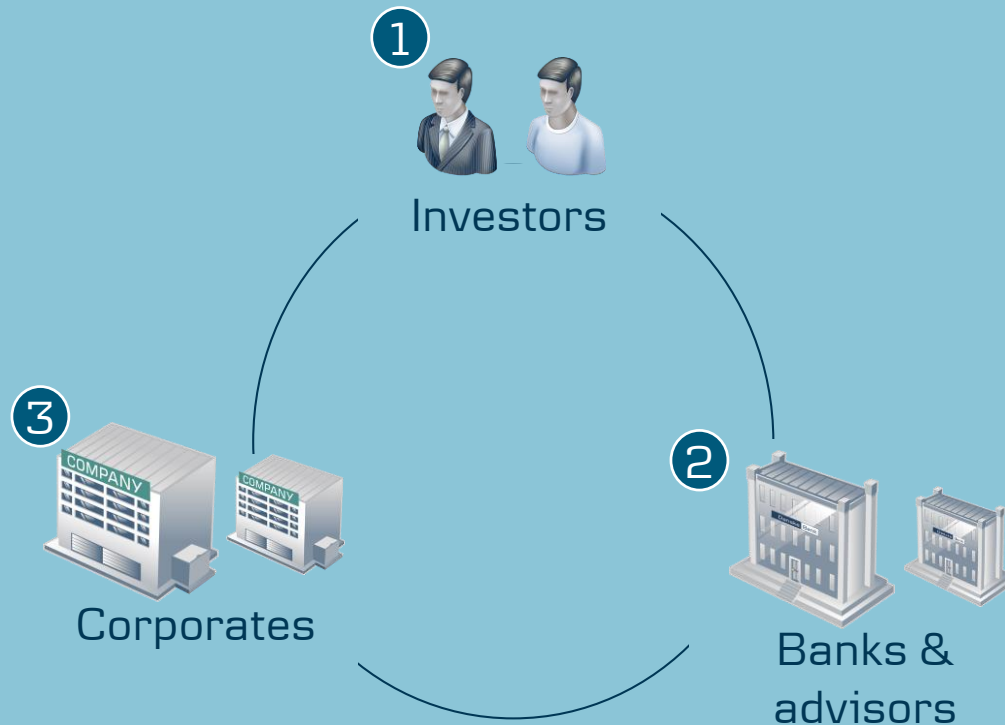
Preferred shares

Mezzanine
financing

Corporate bonds

On the other side, interest seems to be lurking in the background

A trinity of stakeholders can drive the IPO market in Denmark



1. Danish investors like to invest in shares and appreciate being presented with new investment opportunities
2. Banks both have the financial benefit and the benefit of meeting customer needs
3. SMEs seem to have an interest in IPOs

Successful cases have been seen in Denmark

IPO examples (year)	Market cap (DKKm)		IPO offer size (DKKm)
	@ IPO	Today	
Simcorp (2000)	1,404	12,300	750
Thrane & Thrane (2001)	548	2,500 *	244
Bavarian Nordic (1998)	636	8,400	195

*2012

No. of IPOs



How can Danske Bank contribute as market player?

1 Contribute to helping and advising companies in connection with their IPOs

2 Contribute to creating a more positive attitude towards these IPOs – both for corporates and investors

Questions

