



The Swedish IPO market and takeaways for a kickstart of the Danish small cap IPO market

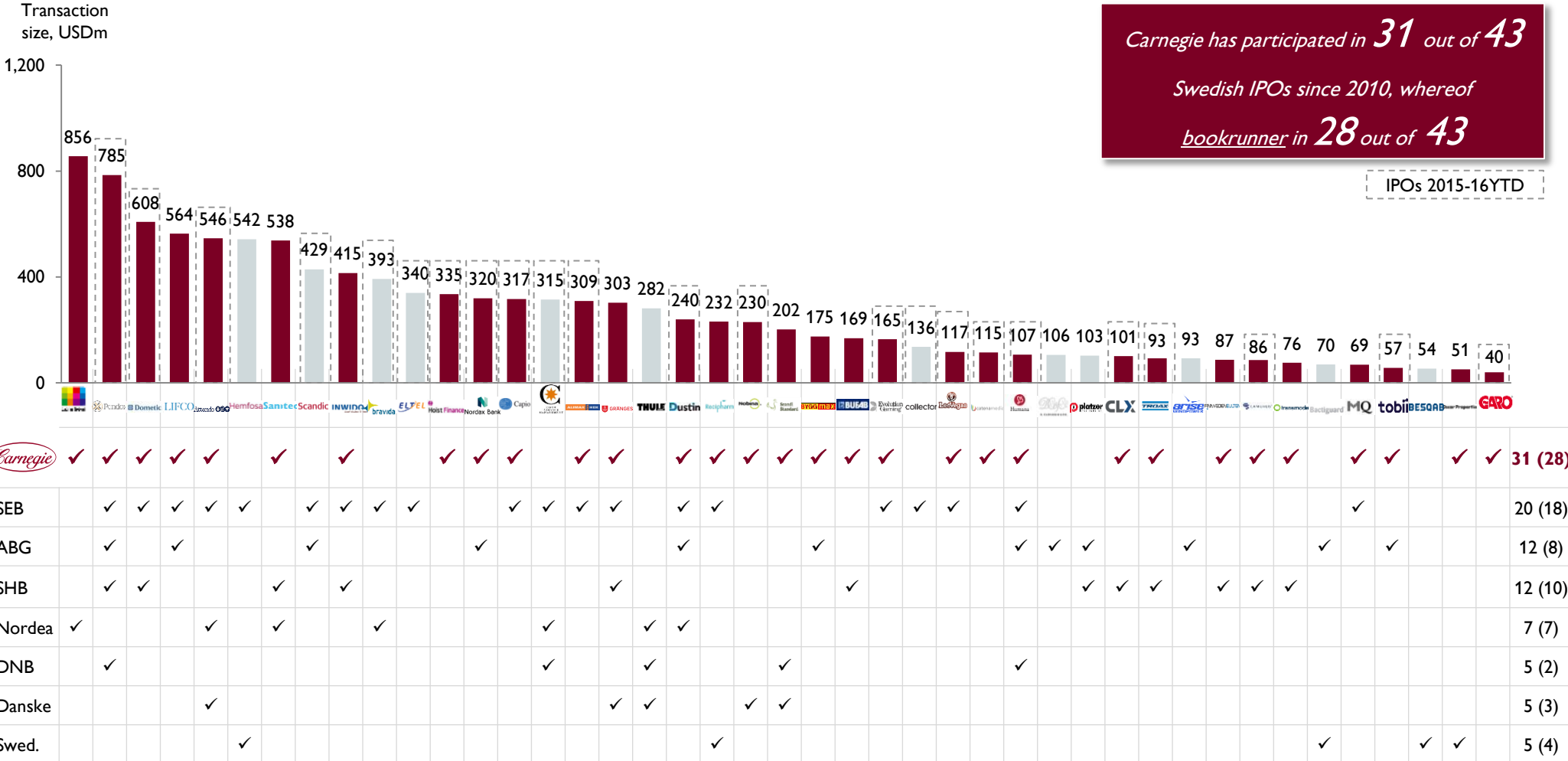
29 April 2016

Key take aways from the Swedish IPO market

- Sweden has had an astonishing IPO cycle in recent years
- Most of the IPOs count as “small caps” for institutional investors
- Around 15% of the Carnegie Small Cap Index comprise recent IPOs
- In this brief presentation I will share some key success factors from a market perspective
- We will round up with a few market contributions to kickstart the Danish Small Cap IPO market

Recent Swedish IPO activity

Swedish IPOs since 2010



Carnegie has participated in **31** out of **43** Swedish IPOs since 2010, whereof **28** out of **43** as bookrunner

IPOs 2015-16YTD

Swedish IPOs 2010YTD above USDm 40 as of 22 March 2016. Source: Thomson Reuters, Company information

(bookrunner)

Drivers for a successful Swedish IPO market

1

Very supportive institutional setting built on local long only small cap managers in combination with international institutions creating long term demand for equities

2

Strong Private Equity ownership within the region providing the base for a solid IPO pipe line of healthy companies

3

Very solid aftermarket performance created by responsible and correct pricing in combination with strong demand from investors

4

Cornerstone structure providing deal certainty and early price discovery in the majority of the recent IPOs

The positive “small cap circle”



1. Strong performance by small cap stocks

2. Strong performance by small cap funds

3. Further inflows to small cap funds

4. Cornerstone interest

5. High interest in IPOs

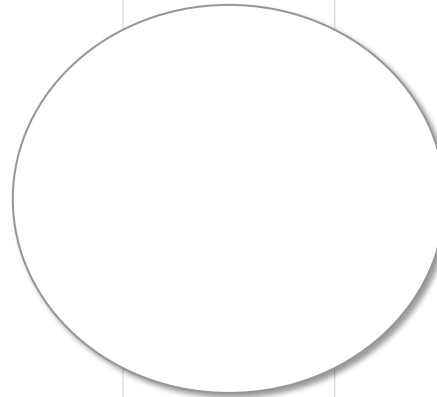
6. Strong aftermarket performance

Selected cornerstone investors

“Semi-strategic” investors who have been cornerstones

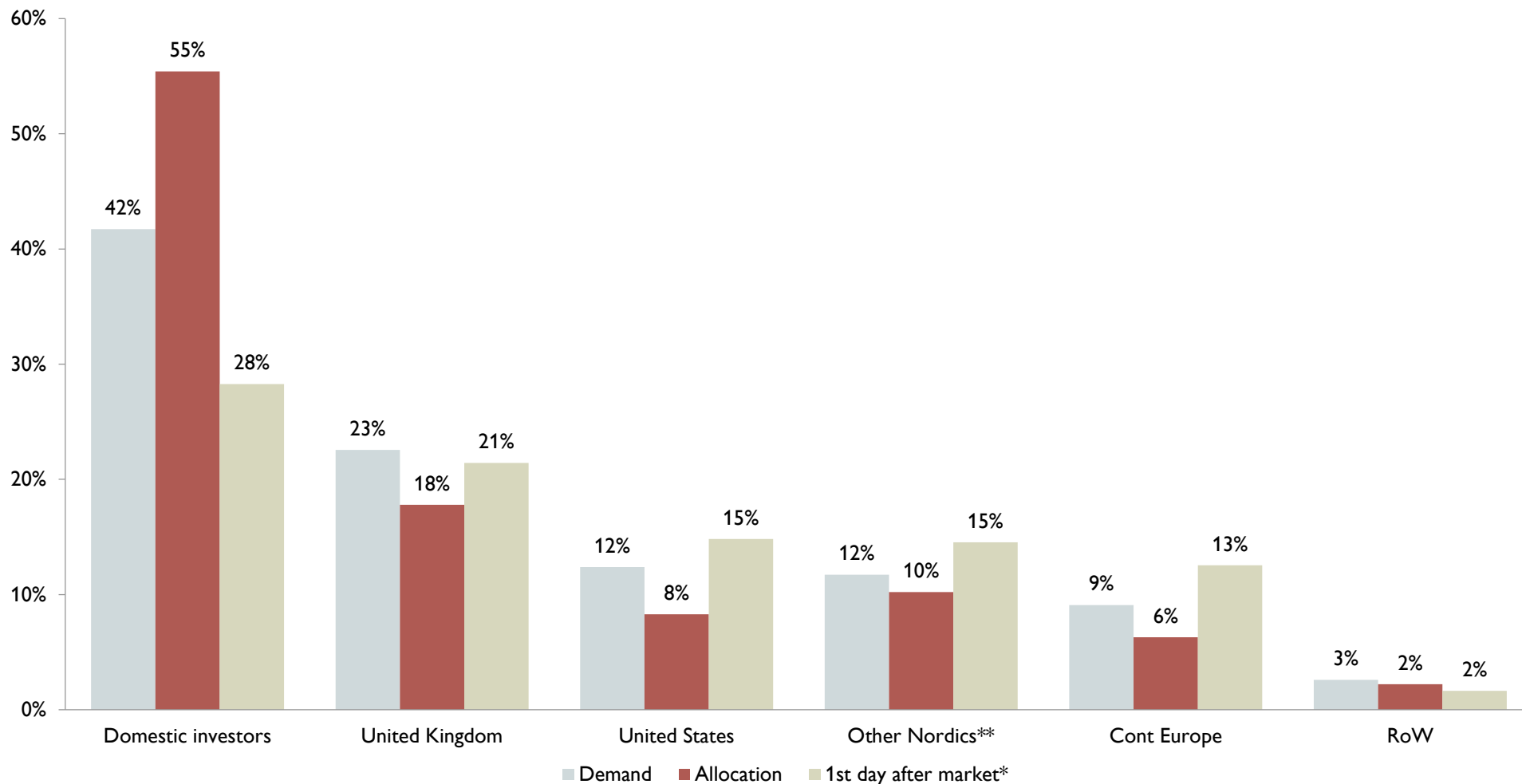
Investor(s)	IPO
Zeres Capital	
“Axis Founders” 	
“Previous Unibet investors” 	

Regular institutions who have been cornerstones



Demand split in Nordic IPOs 2014 – 2015

Average – demand, allocation and 1st day of trading



*Based on Carnegie's order execution **Includes the other three Nordic countries (excluding the domestic investors)

Takeaways for kickstarting the Danish small cap IPO market

“Sell” side

- Dare to do it
- We will make it work together
- Be mindful of the aftermarket, it pays off



Investment banks

- We will do everything in our power, including research focus
- Introduce the cornerstone concept in Denmark

“Buy” side

- Be there to support the kickstart of the Danish small cap IPO market
- Set up specific small cap portfolios / funds
- Small caps typically generates higher returns over time

Need to get into the positive “small cap circle”

