

NEW YEAR GREETINGS 2019

1 – A good year: 2018 was a good year with a lot of activity. We completed more than 10 transactions, including IPO's, capital-injections both before and after the IPO as well as M&A transactions. With 7 IPO's to date, we are proud to now be the leading growth-IPO advisor in Denmark measured in number of IPOs as well as returns.

2 – A strong start: All three Gemstone IPO's in 2018, Freetrailer, Risk Intelligence and STENOCARE were significantly oversubscribed. STENOCARE broke all records with strong international interest. Subscription was at more than 50 times the available shares and trading is strong. All three new shares jumped significantly after the IPO.

3 – Returns: In recent months the stock market has seen the largest losses since the crisis in the autumn of 2011. The Spotlight Index fell more than 10% in the second half of 2018. The other micro-cap IPOs in Sweden also fell more than 10% this year and the Danish First North IPO's fell by more than 20% with 7 out of 8 in the red. In the light of this, we are pleased that our three 2018 IPO's have seen gains of 10% on average. In addition, the IPO-investors, who are exposed to larger risk, have realized significantly higher gains. The current status is that Freetrailer is profitable and trading above the IPO price. Risk Intelligence is below the subscription price, despite strong progress in the business and STENOCARE is trading about 60% above the subscription price with strong volume.

4 – Our formula: At Gemstone Capital we choose our customers with care. They represent the combination of accumulated knowledge and value creation from an existing business and a strong, specific potential. At the same time, we strive to optimize the chances that all parties, i.e. the company as well as its prior and new shareholders, gain from the IPO, short, as well as long term. The existing owners understand that modesty, defined as the combination of an attractive valuation and dedication to execution short term, as well as major longer-term ambitions, is the best approach for all parties.

We wish you a HAPPY New Year!

Peter Max og Søren Jonas Bruun



7 – Our focus: In reaction to the vibrations in the market we have already for some time focused our new-biz efforts on companies that are as crisis-resilient as possible. We also see a large demand for further fund raising to already listed companies in Denmark and Sweden. In addition, we help our clients with acquisitions or exits (M&A) which is the second leg of our business. One can say, that as much as turbulence presents challenges to the IPO market, it also opens up to opportunities to pursue other transactions.

6 – Then what about 2019 ...? We are cautiously optimistic. Our IPO pipeline has never been stronger and our investor community is growing rapidly (sign up [here](#)). We believe in a good, yet turbulent new year. The IPO markets are under pressure. At the same time, we know that this can change quickly. The fundamentals are strong, and a lot of risk has already been priced into the shares. The turbulence is delivered by uncertainty about Brexit, Trump's fight with China, Russian trolls potentially disturbing the upcoming Danish election and investment robots that create excessive reactions, etc. One thing is for sure: it will not be boring.

5 – Preparation and market: A normal IPO process takes 4–6 months, but we often work for an extended period to secure that the company is prepared and ready before we enter the IPO process, and we raise the capital required during that process. Last, but not least, we match the company with the best suited IPO platform, in practice either First North or Spotlight. Our 2018 IPO's were the first on the Danish Spotlight list in Copenhagen. Unlike other pure Danish or Swedish advisors, we always work with parallel Danish and Swedish marketing of our IPO's. This means, that a larger market and demand for the shares is created from day one.