

IPO digest | Week 28 | 10-16 July 2023

This digest covers key IPO deals on European and US exchanges. Our main focus is on companies exceeding \$100 mn in market capitalization.

In this week's digest, we shift our focus outside of the leading European stock exchanges, to Romania, where the headline news emerges from an exciting development in the sustainable energy sector. In the USA, three biotech IPOs were launched on Nasdaq. The global landscape of IPOs and SPACs continues to evolve, showcasing diverse opportunities and potential for growth from a pretty low base.

New IPOs

HIDROELECTRICA | €9.4 bn MCAP | €1.9 bn raised | BVB

Hidroelectrica shares (H2O) started trading on July 12 on the Bucharest Exchange following the largest IPO ever held in Romania and the third largest on a Central and Eastern Europe exchange in history. This is the largest IPO in Europe and the third largest globally so far this year. Fondul Proprietatea (FP), an alternative investment fund managed by Franklin Templeton International Services, sold a package of shares representing almost 20% of the total number of shares issued by Hidroelectrica. FP has held a minority stake in Hidroelectrica since the establishment of the Fund in 2005 and stated that an IPO was one of its objectives from the beginning. The Romanian state represented by the Ministry of Energy kept its majority shareholder status. As the IPO was oversubscribed several times, the company and the seller decided to reallocate shares from institutional to retail investors, increasing the share of the latter from 15% to 20%. Hidroelectrica shares will be included in FTSE All-World, Emerging, and Global Large Cap indices as of July 19. Moreover, shares will be included in the MSCI Frontier and Romania indices starting July 26 this year. Due to the high share of Hidroelectrica in the country's capital market, this IPO gives Romania's stock market a huge sustainability impact.

APOGEE THERAPEUTICS | \$809 mn MCAP | \$300 mn raised | NASDAQ

On July 14, in the second largest biotech IPO this year so far, Apogee Therapeutics upsized its offering by 13% and priced the deal at the high end of the price range to raise \$300 mn. Apogee Therapeutics is a biotechnology company seeking to develop differentiated monoclonal antibody therapies for the treatment of atopic dermatitis, chronic obstructive pulmonary disease, and related inflammatory and immunology indications with high unmet

needs. The company was founded by healthcare investors Fairmount Funds and Venrock as a spinout of Paragon Therapeutics.

SAGIMET BIOSCIENCES | \$355 mn MCAP | \$85 mn raised | NASDAQ

On July 14, Sagimet raised \$85mn increasing the offering size by \$10 mn. Sagimet Biosciences is a clinical-stage biopharmaceutical company developing novel therapeutics called fatty acid synthase inhibitors for the treatment of nonalcoholic steatohepatitis, for which there are no treatments currently approved in the USA or Europe.

Another biotech on Nasdaq is **60 Degrees Pharmaceuticals**, focusing on biological science and applied research to further develop and commercialize novel therapies for the prevention and treatment of infectious diseases, raised \$7.5 mn.

Euronext Growth welcomed two listings: **OSMOSUN**, specializing in solar-powered salty water desalination solutions, raised €10 mn in Paris; and **Green Oleo**, a leading European producer of fine oleochemicals from renewable sources, raised €5 mn in Milan.

On the LSE, **Zhejiang Yongtai Technology** raised ca. \$70 mn through a global offering of Global Depositary Receipts (GDRs) on their underlying shares listed on the Shenzhen Stock Exchange (SZSE). This is the first SZSE-listed GDR issuer in London. Zhejiang Yongtai Technology is a leading manufacturer of fluorine-containing fine chemicals covering performance materials, pharmaceutical products, and crop science products.

New filings and disclosures

ODDITY TECH | \$1.6 bn MCAP | \$300 mn raising | NASDAQ

On July 10, ODDITY Tech disclosed its intention to raise \$300 mn in the listing planned for July 19. Israeli beauty brand Oddity calls itself a consumer tech platform built to transform the global beauty and wellness market. Oddity invests heavily in data science, machine learning, and computer vision to deliver a precise product match and seamless shopping experience.

GAMER PAKISTAN | \$109 mn MCAP | \$18 mn raising | NASDAQ

Gamer Pakistan filed on July 12 to raise \$8 mn in primary and \$10 mn in secondary capital. Gamer Pakistan focuses on creating and promoting college, inter-university, and professional e-sports events for men's and women's teams in Pakistan.

Noteworthy, there were only foreign filings on Nasdaq this week. **RanMarine Technology**, a Dutch cleantech company that designs, manufactures, and sells autonomous surface vessels also known as aquatic drones or WasteShark, filed to raise approximately \$17 mn through American Depositary Shares (ADSs) without disclosing its IPO terms. **SIMPPLE**, a Singaporean property tech, increased its price range, allowing it to raise \$9 mn. **Turbo Energy**, a Spanish developer of AI-powered equipment for photovoltaic energy generation, management, and storage, filed to raise \$5.5 mn through ADS.

On NYSE, **Northann**, a producer of 3D-printed vinyl flooring, filed to raise \$12.0 mn.

Surf Air Mobility postponed its Direct Listing on NYSE to July 27. Registered stockholders intend to sell stock for \$281 mn. Surf Air Mobility is building a regional air mobility ecosystem that aims to sustainably connect the world's communities by adopting electric powertrain technology.

Family-owned Italian company **Maggioli**, a provider of digital services to public administrations, has announced the withdrawal of its IPO on Euronext Growth Milan due to unfavorable market conditions. The offering, which aimed to raise up to €146 mn, was planned for July.

IPO plans and rumors

ByteDance, the Chinese parent company of TikTok, will allow its US employees to cash out their shares without waiting for an IPO. The move is aimed at addressing the concerns of employees who have been eagerly awaiting the opportunity to profit from their awarded shares. ByteDance, valued at over \$200 bn, is currently the world's most valuable startup and is not in a hurry to go public due to increased scrutiny of Chinese tech giants by Beijing. ByteDance is planning to launch another share repurchase program in 4Q 2023.

SoftBank is reportedly considering a US listing for **PayPay**, Japan's digital payments business. The move to list in New York is seen as more attractive due to higher valuations for tech companies. However, the timing of the listing is uncertain as PayPay needs to

demonstrate a clear path to profitability. SoftBank has previously set a PayPay listing as a goal with a \$7+ bn valuation.

Wellington Management has been in talks to lead a pre-IPO round of funding for **Skims**, Kim Kardashian's shapewear retailer with a \$4 bn valuation.

Liquid Death, a canned water company known for its unique marketing approach, hired Goldman Sachs, aiming for a 2024 IPO. The company recently raised \$70 mn in its second funding round, giving it a \$700 mn valuation. With significant revenue growth reaching \$130 mn in 2022, an unconventional marketing strategy, and environmentally friendly packaging, interest in a Liquid Death IPO is intensifying.

French insurer AXA is weighing selling or stock listing its property reinsurance business **XL Re**.

Italian steelmaker **Feralpi Group** has decided to put its IPO plans on hold due to market conditions and the economic slowdown.

SPAC activity

On July 10, **Marti Technologies**, a Turkish ride-hailing company, completed its merger with SPAC **Galata Acquisition Corp.**, resulting in a combined enterprise value of \$549 mn. However, since the merger, the stock price has reversed to its pre-IPO level, erasing previous gains made after investor approval. The deal raised approximately \$60 mn in new funding for Marti Technologies, with investments from the SPAC's trust account, private investment in public equity underwritten by US institutional investors, and additional investments from existing shareholders. The proceeds will be utilized to expand Marti's transport services, including its ride-hailing service and electric-mobility fleet.

Oklo, a nuclear fission startup partly owned by Open AI CEO Sam Altman, has agreed to go public through a merger with a SPAC co-founded by Altman and Michael Klein, a former Citigroup executive. The deal values Oklo at \$850 mn and is expected to provide the startup with \$500 mn in capital. Oklo, which is developing nuclear reactors powered by recycled nuclear fuel, has raised venture capital multiple times from Altman and is now set to scale up its development and manufacturing facilities. The merger between **AltC Acquisition Corp.** and Oklo has been in the works for over 9 months and is expected to close by early 2024, potentially revolutionizing the global energy industry with its emission-free 24/7 energy generation capabilities.

Black Spade Acquisition, a Hong Kong-based SPAC, has gained approval from its shareholders to extend its lifespan by one year. This extension allows the SPAC to merge with a target company, including the potential merger with Vietnam's electric automaker **VinFast** for a US listing until July 20, 2024. Shareholders were given the opportunity to redeem their shares, with the results yet to be announced.

There were 2 new SPACs IPOs on NASDAQ during the week. **Nabors Energy Transition Corp. II**, focusing on advancing the energy transition, especially, ones that facilitate, improve or complement the reduction of carbon or greenhouse gas emissions while satisfying growing energy consumption across markets globally, raised \$300 mn. **Bowen Acquisition Corp.**, focusing on businesses throughout Asia excluding China, raised \$60 mn.

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