

A D A S T R A

IPO digest | Week 29 | 17-23 July 2023

The triumphant headliner IPO by Oddity this week, along with recent successful debuts of Savers and Cava encourages other companies, especially in the consumer sector, to consider listing their shares. It demonstrates that investors are seeking fast-growing and profitable businesses, and the rising consumer confidence in the USA may pave the way for the IPO window to reopen.

NEW IPOs**ODDITY TECH | \$2.3 bn MCAP | \$424 mn raised | NASDAQ**

On July 17, Oddity, the Israeli beauty brand, increased the price range for its upcoming IPO to \$32-34 per share, up from the initial range of \$27-30. The following day, the company priced its IPO even higher, at \$35 per share, and successfully raised \$424 mn, surpassing the initial target of \$300 mn. The major investors were private-equity firm L Catterton and Oddity's co-founder and CEO, Oran Holtzman. L Catterton sold about 4.3 mn shares, generating appr. \$140 mn in proceeds net of fees and expenses. Before the IPO, L Catterton held about 18.2 mn shares, according to the regulatory filing.

Oddity positions itself as a consumer tech platform dedicated to transforming the global beauty and wellness market. The company follows a direct-to-consumer model and heavily invests in advertising to build a substantial online following on various social media platforms. With a gross margin of 71% and a record of strong growth, Oddity is a profitable consumer business. Currently, more

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than 40% of Oddity's workforce comprises technology professionals, including computer-vision experts, data scientists, and engineers.

Meanwhile, L Catterton is also considering an IPO for German shoe manufacturer **Birkenstock** after a summer pause.

TURNSTONE BIOLOGICS | \$266 mn MCAP | \$80 mn raised | NASDAQ

Turnstone Biologics' deal was a fast launch. The company disclosed its IPO terms in a SEC filing on July 17 and priced the deal on July 20. They upsized the IPO by 15% and priced at the low end of the range to raise \$80 mn in gross proceeds.

Turnstone Biologics is a US clinical-stage biotechnology company focused on developing new medicines to treat and cure patients with solid tumors. Turnstone plans to spend IPO proceeds to support the ongoing Phase 1 trial of its lead candidate medicines for the treatment of breast cancer, colorectal cancer, and melanoma. The company plans to provide an initial clinical update across these trials in mid-2024.

On Euronext Growth Paris, **Vinpai**, a specialist in the design, manufacturing, and marketing of natural ingredients based on algae, plants, minerals, and fibers, for food and cosmetics raised €7 mn.

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NEW FILINGS AND DISCLOSURES

ADVANCED BIOMED | \$563 mn MCAP | \$113 mn raising | NASDAQ

On July 18, Advanced Biomed disclosed its IPO terms to raise \$112.5 mn. Taiwan and Hong Kong company incorporated in the USA is focused on integrating semiconductor technology and biotechnology. Through the enrichment, capture, and identification of circulating tumor cells and related marker cells in the field of liquid biopsy, they aim to provide cancer patients with rapid and affordable services, including early screening and detection, diagnosis and staging, treatment selection, and patient outcome interventions for cancer. Currently localized in China, they are looking for expansion to the North American and European markets.

CGTH | \$108 mn MCAP | \$18 mn raising | NASDAQ

Creative Global Technology Holdings (CGTH) filed on July 19 and disclosed terms of its IPO to raise \$18 mn. Incorporated in the Cayman Islands and based in Hong Kong, the company is sourcing pre-owned consumer electronic devices (mainly smartphones, tablets, and laptops) from suppliers in the USA, Japan, and some other developed countries for further re-sale of these goods in Southeast Asia mainly. Although CGTH has been expanding into the retail sales and leasing of consumer electronic devices since 2021, the traditional wholesale of pre-owned electronic devices business still accounted for over 90% of CGTH's revenue in 2022.

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NeurAxis, a medtech company with an FDA-approved therapy to treat abdominal pain associated with irritable bowel syndrome in adolescents, increased the size of its IPO by $\frac{2}{3}$ for a 25% drop in the price to raise \$27 mn in the combination of primary and secondary capital on NYSE.

Additionally, there were 6 filings on Nasdaq from various countries and industries raising \$6-8 mn each.

Mira Pharmaceuticals, developing a molecular synthetic cannabinoid drug to treat anxiety and cognitive decline typically associated with dementia, slightly increased the size of its IPO and set the assumed price at the mid-point of its original price range to raise \$8.4 mn. **Flewber Global**, a US technology-powered private air transportation company aiming to make private air travel simple and affordable, filed without price disclosure to raise ca. \$8 mn. **Alpha Technology Group**, a Hong Kong cloud-based IT solution service provider, disclosed terms for its IPO to raise \$7.9 mn. **Elephant Oil**, an independent oil and gas exploration stage company focused on under-explored regions in Africa, slightly increased the size of its IPO to raise \$7.5 mn. **XJet**, a 3D printing company incorporated in Israel, cut its IPO size and left the price at the bottom of its range to raise \$6.4 mn. **SRM Entertainment**, a toy and souvenir designer selling into the world's largest theme parks and entertainment venues, cut the size of its IPO by about 31% leaving the price in the mid-point of its previous range to raise \$6.3 mn.

Finally, **Aleph Group**, a leading global enabler of digital advertising focused on emerging markets clients and the world's leading digital

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platforms, has withdrawn its \$100 mn IPO on NYSE. The company was valued at \$2 bn in 2021 after private equity firm CVC Capital Partners bought a stake worth \$470 mn.

IPO PLANS AND RUMORS

Alibaba has invested an additional \$845 mn in **Lazada** to support local merchants and compete in the local market. This brings Alibaba's total investment in Lazada to nearly \$6 bn since it acquired a controlling stake in 2016. The recent reorganization of Alibaba into business units, including Lazada under the International Digital Business Group, suggests a potential future IPO for Lazada, probably on the US exchange. An international e-commerce IPO could open new opportunities for Alibaba's global expansion and capitalize on the growing demand for e-commerce services worldwide.

ABB's E-Mobility business faced challenges in 2Q 2023, leading to a disappointing performance with a €67 mn operating loss. The company attributed this to provisions related to inventories and technology investments, as well as adjustments in the product strategy by the new management team. Despite these issues, the business still grew significantly, with orders rising by 73%. ABB remains committed to its plan of conducting an IPO for the E-Mobility unit. However, the IPO is now expected to take place no earlier than next year. In February 2023, the company raised an additional €340 mn through a pre-IPO private placement of newly issued shares with minority investors.

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OrganOx, a liver transplant device maker based in Oxford, has raised £25 mn in a funding round led by Lauxera Capital Partners. The company has developed an automated normothermic machine perfusion device that can transport livers to patients in need of a transplant and can preserve transplant livers for up to 24 hours. This extended preservation time allows surgeons to evaluate liver function before the surgery and eliminates the need for urgent night surgeries. The financing round represents a diversification of the company's shareholder base and is seen as a significant step toward the company's potential future IPO.

SPAC ACTIVITY

PublicSq. merged with **Colombier Acquisition Corp.** listed on NYSE. PublicSq. is an app and website that connect conservative Americans to businesses that share their values, both online and in their local communities. The primary mission of the platform is to help consumers “shop their values” and put purpose behind their purchases. The platform has over 55,000 businesses from a variety of different industries and over 1.1 mn consumer members. It is free to join for both consumers and business owners alike. The company had hoped that the deal would enable it to raise up to \$158 mn in proceeds. However, due to a substantial number of redemption requests from investors looking to cash out before the stock commenced trading, it has brought in appr. \$35 mn.

Mining Spac **ACG Acquisition** pauses fundraising for the \$1.1 bn Brazil battery metals deal in London while discussing potential

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improvements to the transaction structure. The anchor investors include Glencore, Stellantis, and investment fund La Mancha.

This digest covers key IPO deals on European and US exchanges.

Our main focus is on companies exceeding \$100 mn in market capitalization.

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