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IPO digest | Week 30 | 24-30 July 2023

As the summer holidays approach in the US and European capital markets, the IPO landscape is witnessing a temporary lull, with expectations of larger offerings resuming in the autumn. Amidst this seasonal slowdown, the past week's headline is an underwhelming direct listing with a peculiar corporate story. Additionally, the week witnessed a couple of noteworthy Japanese companies debuting through IPOs just before the summer break, while the Australian pipeline gained momentum as the winter holidays drew to a close. Meanwhile, the engine of the global IPO market, China, is taking significant steps by testing new regulations for Chinese companies aiming to list abroad, offering insights into its impact later this year.

NEW IPOs

There were no significant IPOs this week on the covered markets. There is, however, a worth-noting Direct Listing, the first in more than a year.

DL | SURF AIR MOBILITY | \$982 mn MCAP¹ | \$408 mn offering | NYSE

Regional airline Surf Air Mobility did a long-expected direct listing on July 27. Although Surf Air cut the size of its offering in an S-1/A filing dated July 25, its price has plummeted from a reference price of \$20 to \$5 at the open and below \$3 at the end of the week. The prospectus says that Surf Air's stock changed hands in private transactions at prices ranging from \$11.9 and \$5.9 over the past 18

¹ On admission.

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months. According to the last June's fundraising from alternative asset manager GEM, the company was valued at \$1+ bn, but currently, its market capitalization is just \$125 mn. The CEO of Surf Air emphasized that the group's primary focus was on completing a listing, rather than aiming for a particular valuation. This is because the company is undergoing a rather sophisticated internal reorganization and is planning a pre-arranged merger that is dependent on it becoming a publicly traded entity. According to the FT, the fact that the deal was finalized, is seen as a positive sign, particularly as it may not have been feasible a few months ago. It is worth noting that the company had previously attempted to go public through a merger with SPAC in 2022 but ultimately abandoned the proposed merger in November last year.

Surf Air Mobility, incorporated in Delaware, provides a regional air travel mobility platform that displays schedules and charter flights operated by third-party entities. While currently offering private flights and various regional commuter lines, the company has expressed its future commitment to developing electric power train technology for enhancing regional plane fleets.

The series of small-cap IPOs took place on **NASDAQ** this week.

Warrantee, a Japanese market research technology company trimmed the size of its IPO at pricing and raised \$9.6 mn by issuing ADS.

ParaZero Technologies, an aerospace company that is focused on drone safety systems from Israel, priced its IPO at the bottom of its price range to raise \$7.8 mn.

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A Japanese company operating proprietary private blockchain technology, **Earlyworks**, priced its IPO and raised \$6 mn through ADS.

Janover, a B2B fintech marketplace connecting commercial property borrowers and lenders, priced its IPO at the bottom of the range with a 13% upside and raised \$5.7 mn.

Riba Mundo Tecnología is the first Spanish company to list on **EURONEXT Growth Milan**. A tech company active in consumer electronics international trading in the B2B segment raised €5.5 mn.

NEW FILINGS AND DISCLOSURES

ADLAI NORTYE | ca. \$400+ mn MCAP² | \$115 mn raising | NASDAQ

Adlai Nortye filed its F-1 on July 27 without disclosing price information. Its total funding up-to-date is \$253 mn. Cancer Biotech is focused on the discovery and development of innovative cancer therapies for patients across the spectrum of tumor types. A pipeline of six drug candidates is currently undergoing clinical trials, and in many cases, in collaboration with multinational pharmaceutical companies to fully realize their commercialization potential on a global scale. The company is incorporated in the Cayman Islands, based in Hangzhou and New Jersey, and recruits top R&D talent from both USA and China.

² Dealroom estimates based on last funding from July 2021.

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MIRA Pharmaceuticals | \$103 mn MCAP | \$9 mn raising | NASDAQ

Mira Pharmaceuticals marginally increased its IPO size according to an S-1/A dated July 28. Now it is going to raise \$8.9 mn, and its expected market capitalization on admission exceeds \$100 mn. Mira is an early pre-clinical-stage pharmaceutical company focused on the development and commercialization of a new molecular synthetic cannabinoid analog. It is focused on the treatment of adult patients with anxiety and cognitive decline typically associated with early-stage dementia. The drug candidate, if approved by the FDA, may become a significant advancement in the treatment of neuropsychiatric, inflammatory, and neurologic diseases and disorders.

Here are more minor filings on **NASDAQ**.

Majestic Ideal Holdings, a provider of supply chain management services, aiming to raise \$17 mn, filed the required registration materials with the China Securities Regulatory Commission to issue shares and list on the **NASDAQ**. This could become the first US IPO by a Chinese company since new regulations for overseas share sales were implemented in March 2023.

Incorporated in Canada, **PreTam Holdings**, a leader in the Chilean precast construction market, filed an F-1 form without disclosing terms for its IPO. It is estimated to raise \$17 mn.

Australian online retailer of gym and fitness equipment, **Fitell**, moved its bottom price in the range up to raise \$16.5 mn.

CardieX is a commercial-stage digital healthcare company developing medical devices to redefine the way hypertension and

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major vascular diseases are clinically diagnosed and managed. Listed on the Australian Securities Exchange (**ASX**), it filed F-1 for its **NASDAQ** uplisting with no terms disclosed. It is estimated to be raising \$11.5 by offering ADS.

Junee Limited, which provides quality interior design, fit-out, and maintenance services to both residential and commercial clients in the Hong Kong interior design market, cut its IPO size by 60% at the same price range to raise \$10 mn.

INNO HOLDINGS, an innovative building technology company with proprietary cold-formed steel-framing technology and other building innovations, filed an S-1 form without disclosing terms for its IPO. According to some estimates, they could be raising \$10 mn.

AiXin Life International, focused on providing health and wellness products to the growing middle class in China, increased its offering size to raise \$9.5 mn in an uplisting from the OTC Market (OTCQB).

A financial and advertising technology company **NYIAX** being in several long-term agreements with **NASDAQ** to build and maintain the NYIAX platform, cut the IPO size and price to raise \$7 mn.

CCSC Technology International Holdings, designing, manufacturing, and selling interconnect products customized for industrial, automotive, and robotics products in Hong Kong, mainland China, and The Netherlands, cut the size of its IPO twofold at the same price range to raise \$6.3 mn.

Hand in Hand Metaverse Marriage Technology, focused on providing high-quality dating services with clear marriage and dating plans, accurately matching individual needs with a powerful digital system, filed to raise \$1 mn.

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Sezzle, a BNPL digital payments platform that caters to 18-45 yo customers, disclosed that registered stockholders may sell shares in a \$41.6 mn **NASDAQ** direct listing. The company's stock is traded on the **ASX**.

NeurAxis, a growth-stage company focused on developing neuromodulation therapies to address chronic and debilitating conditions in children, disclosed that it would raise \$7 mn on the **NYSE** instead of **NASDAQ** as was previously planned.

Ariana Resources plc, a mineral exploration and development company listed on **AIM (LSE)**, has provided an update on its Cypriot subsidiary, **Venus Minerals** which is planning to raise £3 mn from new investors through the **AIM** IPO in the 3Q 2023. Venus Minerals plans to advance copper-gold exploration and development projects in Cyprus to capitalize on the predicted global copper deficit.

KinderCare Learning Companies, one of the largest private providers of high-quality early childhood education and care services in the USA, has withdrawn its \$100 mn IPO on **NYSE**.

IPO PLANS AND RUMORS

Portuguese bank **Novo Banco** is preparing for an IPO and is ready to seize the opportunity when markets open up for new listings, according to CEO Mark Bourke. The bank has reported profits for 10 consecutive quarters and is strengthening its position as an independent and strong Portuguese bank. Novo Banco is not yet in the IPO process, but it has accelerated its readiness in the last 6

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months, anticipating that markets will open up by 2024. The bank's solid economic growth, tourism boom, and inflation below the EU average make it an attractive investment, and it is seen as a complete player in the Portuguese economy, with mainly retail activities with small and medium-sized companies. Novo Banco has been in talks with investment banks about debt placements, generating interest from their equity departments.

German bus services firm **Flix**, which operates the Greyhound brand in North America and FlixBus in Europe, has selected JP Morgan, Goldman Sachs, and BNP Paribas as advisers for a planned IPO in the 1H 2024, aiming for a potential valuation of €4 bn. Flix, founded in 2011 to offer affordable bus travel, currently operates in 40 countries and saw a 185% increase in revenue last year, surpassing €1.5 bn.

SPAC ACTIVITY

NASDAQ-listed **FG Merger Corp.** (FGMC) and **iCoreConnect**, traded on OTC markets, participated in a fireside chat to discuss their business combination. iCoreConnect is a leading, cloud-based software and technology company focused on increasing workflow productivity and practice profitability through its enterprise and healthcare workflow platform of applications and services. iCoreConnect is most notably known for its innovation in solving healthcare business problems. In connection with the proposed business combination, FGMC and iCoreConnect have filed a joint prospectus with the SEC which has been declared effective. The

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aggregate consideration to be received by the iCoreConnect stockholders is based on a pre-transaction equity value of \$98 mn.

Carbon Revolution Limited, an Australian technology company and supplier of lightweight carbon fiber wheels for the global automotive industry, plans to become publicly listed in the USA through a definitive business combination agreement with **Twin Ridge Capital Acquisition Corp.** listed on **NYSE**. The CEO of Carbon Revolution participated in a fireside chat to discuss the company's disruptive technology, strong intellectual property moat, customer relationships with major global car makers, and the pathway to scale and disrupt with new production technology. The proposed business combination is expected to result in the merged company, Carbon Revolution plc, becoming the parent company of Carbon Revolution and Twin Ridge, and its ordinary shares and warrants are expected to trade on **NASDAQ**, with Carbon Revolution's shares being delisted from the **ASX**.

Haymaker Acquisition Corp. 4 raised \$200 mn on **NYSE**. The SPAC intends to acquire and operate a business in the consumer-related products and services industries.

Keen Vision Acquisition Corp., focused on ESG imperatives in biotechnology, consumer goods, or agriculture, raised \$130 mn on **NASDAQ**.

GRD Biotechnology Acquisition Limited submitted its S-1 filing for a \$40 mn IPO on **NASDAQ**. The SPAC intends to focus on the Asian biotechnology sector with a particular focus on medical devices, especially in the region of China.

ADA STRA

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Super Plus Acquisition Corp. has withdrawn its \$69 mn IPO on **NASDAQ**.

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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