

## A D A S T R A

## IPO digest | Week 32 | 7-13 August 2023

This week, both European and US markets have been relatively quiet in terms of major IPOs. However, the IPO and de-SPAC pipeline is brimming with potential record-breaking deals on the horizon.

A recent survey conducted by KKR, involving buy-side investors managing over \$10 tn in assets, revealed that 43% of these investors are seeking IPO candidates offering a 20% - 30% discount compared to their listed peers, aiming for a sense of comfort in their investment decisions. Furthermore, over 60% of respondents prefer "de-risked offerings" where anchor investors are involved in new deals.

Another intriguing development to monitor is the ongoing NYSE-NASDAQ battle for new listings. While this year has seen traditional IPOs on NYSE outpace NASDAQ in terms of funds raised (appr. \$6.5 bn on NYSE versus \$3.7 bn on NASDAQ, as per Dealogic data through early August), the dynamics could shift dramatically with a successful Arm listing, potentially altering the balance between the two exchanges.

## NEW IPOs

There were two IPOs on **NASDAQ** this week.

**Fitell** priced its IPO at the low end of the range to raise \$15 mn on August 7. Fitell is an Australian online retailer of gym and fitness equipment with the mission to build an ecosystem with a whole fitness and wellness experience powered by technology.

**LQR House** Inc. raised \$5 mn in its IPO on August 9. US-based LQR House provides marketing services for alcoholic beverage brands

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and intends to become the full-service digital marketing and brand development face of the alcoholic beverage space.

**EURONEXT Growth Milan** also welcomed two IPOs this week.

**La Sia** raised €6 mn on August 9. La Sia operates in the engineering and design sector, specializing in the design of critical infrastructures in the areas of telecommunications, civil construction, mobility infrastructure, and energy plants, through the use of state-of-the-art technologies and specific know-how.

**E-Globe** raised €4.7 mn. E-Globe is an innovative SME active in the resale and value-added marketing of climate control, boilers and biomass, renewable energy, services, and accessories products, with a focus on green economy products.

**NYSE** had a \$6.6 mn IPO of **Neuraxis**, a medical technology company focused on developing neuromodulation therapies to address chronic and debilitating conditions in children and adults.

## NEW FILINGS AND DISCLOSURES

ARM | \$60+ bn MCAP | \$8+ bn raising | NASDAQ

We expect a lot of Arm-buzz in the weeks preceding expectedly the world's biggest IPO this year. This week's news is mostly about potential anchor investors for Arm. The company has been in talks with about ten technology companies, including Amazon, Apple, Samsung, Intel, Alphabet, Nvidia, Microsoft, TSMC, and even

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carmakers, about an investment ahead of its IPO. According to FT sources: "Every big tech company that is an Arm customer or relies on Arm tech is being given the opportunity."

In Q2 2023, Arm faced an 11% revenue drop due to the maturing smartphone market, its core focus. Yet, the company's strategic entry into the server market is a potential turning point. SoftBank's initiatives to bring in major Arm customers as investors not only aid in stabilizing Arm's value but also serve as a robust endorsement of Arm's shift in strategy.

**ADLAI NORTYE | \$760 mn MCAP | \$72 mn raising | NASDAQ**

Adlai Nortye filed an F-1/A on August 10 and disclosed terms for the IPO coming next week. The company plans to offer ADS to raise \$72 mn.

Adlai Nortye is a global clinical-stage biotechnology company focused on the discovery and development of innovative cancer therapies for patients across the spectrum of tumor types. A pipeline of seven 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.

**VS MEDIA HOLDINGS | \$110 mn MCAP | \$10 mn raising | NASDAQ**

On August 11, Hong Kong-based marketing services provider VS Media filed and set the terms for its IPO.

The company manages a global network of digital Creators (influencers, key opinion leaders, bloggers, etc.) who create and

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publish content to social media platforms such as YouTube, Facebook, Instagram, and TikTok. Through its marketing services model, the company helps creators generate revenue by working with brands and social media platforms. Through its social commerce model, it purchases products from brands and re-sells them to creators to help them build their e-commerce businesses.

Smaller IPOs on **NASDAQ** are being prepared for the launch.

**Six15 Technologies Holding** filed S-1 with SEC to raise \$10 mn. The company is developing wearable display and computing devices, that are worn like eyeglasses and is focused on defense applications. A drone technology company, incorporated in Puerto Rico, **Unusual Machines**, increased its IPO size by 50% to raise \$7.5 mn.

A developer, manufacturer, marketer, exporter, and retailer of a growing beverage portfolio of 60 formulations across 13 alcoholic and non-alcoholic brands, Australian **Innovation Beverage Group** slightly increased its IPO's size to raise \$6 mn.

**Jinxin Technology Holding**, an innovative digital content service provider in China, filed for a \$5 mn IPO.

**Foremost Lithium Resource & Technology**, an exploration-stage lithium mining company listed in Canada cut its **NASDAQ** uplisting to \$5 mn.

**Zhiding Yuemei Technology**, a Chinese hotel chain and hotel SaaS company is planning a \$1 mn IPO.

UK-based **Zhongxing Holding Group**, focusing on high-tech sports and fitness services, filed F-1 without disclosing details of the IPO.

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**Modern Mining Technology** (formerly known as Urban Mining International) disclosed its plans to raise \$10 mn in IPO on **NYSE**. Company's core business is aimed at processing and extracting strategic commodities (gold, palladium, silver, copper, etc.) from the vast, growing, and largely ignored global resource of electronic waste.

2 companies have withdrawn their IPOs from **NASDAQ**: \$20 mn offering of **EV Transportation Services**, an early stage manufacturer of all-electric, lightweight commercial utility vehicles and \$14 mn offering of Colombian digital grocery platform **Merqueo Holdings**.

## IPO PLANS AND RUMORS

After years of anticipation, **Stripe**, the prominent US financial technology company, is taking significant steps towards an IPO. The company has appointed three-time IPO veteran Steffan Tomlinson as its new CFO, further emphasizing Stripe's commitment to this path. The timing seems favorable despite market fluctuations, with Stripe potentially becoming one of the most significant FinTech IPOs ever.

Data management software provider **Rubrik** is expanding its cybersecurity capabilities, preparing for a potential IPO, and has acquired Laminar, a cloud data protection company based in Israel, for an estimated sum between \$100 mn and \$200 mn. The acquisition positions Rubrik to strengthen its cybersecurity offerings and establish an R&D office in Israel, a significant hub for



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cybersecurity expertise, potentially enhancing its appeal to investors as it continues to advance toward its IPO plans.

Private equity firm **CVC Capital Partners** is considering an IPO for German perfume retailer **Douglas**, with a potential valuation of over €7 bn. The IPO is being explored for 2024, and CVC is reportedly working with Rothschild & Co. as an independent adviser. The listing is likely to take place on the **Frankfurt Stock Exchange (FWB)**, and CVC is expected to invite banks to pitch for roles in the IPO next month. Douglas, with over 1,800 stores across Europe, generated approximately €3.7 bn in revenue in the previous year and has been investing in retail stores and online offerings.

Fleet services firm **DKV Mobility**, another **CVC Capital Partners**-backed company, is reportedly working on its **FWB** IPO with a target valuation of €3.4 bn - €4 bn. The IPO is anticipated to occur in October or November, with analyst presentations scheduled to begin in late August. DKV issues cards used by commercial drivers in Europe to pay for various services, including fuel and tolls and handled about €17 bn of transactions in 2022.

**Ahold Delhaize**, a major retail giant, has not ruled out the possibility of publicly listing its Dutch e-commerce unit, **Bol.com**. The company had previously pulled plans for an IPO due to market volatility, but CEO Frans Muller stated that the idea is still on the table, and they will consider the IPO when the market conditions are more favorable. Bol.com, a significant player in the Dutch e-commerce market with a 20% share, saw an 11% increase in gross merchandise value sales. The potential IPO may not be limited to Amsterdam, and

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the company is exploring various options within Europe. Muller indicated that consistent sales growth, market share gains, and improvements in earnings will be key indicators for the timing of the IPO.

Netherlands-based solar company **Esdec Solar Group** is reportedly seeking an IPO in New York, aiming for a valuation of over \$5 bn. The firm, backed by Blackstone and Rivean Capital, develops and distributes rooftop solar racking and mounting systems. JPMorgan Chase & Co. and Morgan Stanley have been appointed as the lead underwriters for the IPO, and additional banks are expected to join the syndicate.

## SPAC ACTIVITY

Vietnamese electric-vehicle (EV) manufacturer **VinFast Auto** is set to list on the **NASDAQ** in the next week after approval from the **NYSE** SPAC **Black Spade Acquisition Co.** The merger values VinFast at approximately \$23 bn. The company is known for producing electric cars in Vietnam and is currently building a factory in the US. Despite operational challenges and recalls, VinFast aims to expand its market presence in the competitive EV space. The listing on the **NASDAQ** is unusual, as VinFast's blank-check company is listed on the **NYSE** American, so this deal, probably, was one of the US exchanges' battlefields. The merger can become one of the largest SPAC business combinations ever.

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Digital mortgage lender **Better.com** has received shareholder approval to merge with **Aurora Acquisition Corp.** through a SPAC. The deal is expected to close on or about August 22 on **NASDAQ**. The combined entity will receive an infusion of at least \$550 mn in new capital from SoftBank, with the potential for another \$200 mn if certain conditions are met. Despite facing challenges over the past two years, including layoffs, executive resignations, market slowdown, and negative publicity, Better.com is expected to have a market capitalization of \$8 bn.

**Crown LNG Holdings AS**, a prominent provider of offshore LNG liquefaction and regasification terminal infrastructure solutions for challenging weather conditions, has entered into a business combination agreement with **NYSE-listed Catcha Investment Corp.** The combined company, known as Crown LNG Holdings Limited, intends to list its shares on the **NYSE** during 4Q 2023. The pro forma implied enterprise value of the combined company is approximately \$685 mn. The transaction is expected to provide \$50 mn of capital. The planned deal aims to provide capital for Crown's ongoing projects and to accelerate its growth in various global markets.

Philippine real estate company **DoubleDragon** is considering listing its Singapore-registered unit, **Hotel101 Global**, on **NASDAQ** via a merger with a SPAC. DoubleDragon aims to accelerate the international expansion of its hotel group, Hotel101, with the potential listing. The equity amount to be raised is yet to be finalized, but the company has set a target for Hotel101 to reach a valuation of



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up to \$17 bn in the near term, with plans to expand to 25 countries, including the US and China, by 2026.

*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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 [today@adastra.today](mailto:today@adastra.today)