

IPO digest | Week 27 | 1-9 July 2023

This week, while the IPO market in the USA remains relatively quiet, Europe is witnessing a notable surge in IPO activity. Previously subdued, Europe's IPO market has experienced several significant listings, with more anticipated in the near future. Additionally, the global market is witnessing a growing trend of SPAC activity, encompassing both new SPAC IPOs and de-SPAC deals.

New IPOs

Thyssenkrupp Nucera | € 2.53 bn MCAP | €605 mn raised | FWB

On July 7, Thyssenkrupp Nucera listing in the Prime Standard of the Frankfurt Stock Exchange became Germany's biggest IPO of 2023. The company is active in the supply of energy with green hydrogen on an industrial scale. Thyssenkrupp Nucera is attracting significant investor interest in its alkaline water electrolysis technology, as it offers a fast-scalable solution for hydrogen production. IPO proceeds, €445 mn of which is primary capital raised, will fund the company's international expansion in India, Japan, Australia as well as the USA, where it is considering building its own electrolyser capacity.

CAB Payments | ca. £851 mn MCAP | up to £335 mn raised | LSE

On 06 July, CAB Payments Holdings, a market leader in B2B cross-border payments and foreign exchange specializing in emerging markets, commenced conditional dealings on the premium listing segment of London's Main Market. Complete admission to the premium listing segment of the Exchange is set for 11 July. The amount includes £43.6 mn of shares placed through an over-allotment option that banks may exercise once the stock fully debuts on the Exchange. CAB Payments emerged from Crown Agents Bank, a British lending institution with a rich history, over which the company has built a deep global payments network, which allows it to send funds quickly, reliably, and inexpensively. The company provides a scalable tech platform which has been purpose-built for sophisticated institutional clients.

On Euronext Growth Milan, medtech **International Medical Device** raised €5.42 mn and venture tech builder operating in the fintech and energy transition sector, **AATech** raised €1.6 mn.

Prestige Wealth, Hong Kong based provider of wealth and asset management services to high net worth individuals in Asia, raised \$5.0 mn on NASDAQ.

New filings and disclosures

Hidroelectrica | €9.4 bn MCAP | €1.9 bn raising | BVB

Romanian hydropower producer Hidroelectrica's IPO has been priced above the mid-range for the coming offering that will be the largest in Europe this year so far. Hidroelectrica is one of the largest hydropower companies in Europe. The IPO is a secondary placement with the selling shareholder Fondul Proprietatea to get around €1.9 bn for its 19.94% stake in the company via this heavily oversubscribed offering. Franklin Templeton expects a stock market listing would boost the company's capitalization by 10% to 15%. During the extraordinary Index Committee meeting within the Bucharest Stock Exchange, held on July 6 the procedure for including Hidroelectrica's shares in the BVB's indices was approved, starting with the first trading day of the company's shares. The largest energy producer in Romania, providing 29% of electricity in the country, will be included in the main index with a weight of 14.4%. This makes it the 4th largest company in the basket.

The pipeline of small-cap IPO on NASDAQ saw the following filings this week: fast-growing lifecycle automotive service provider in China, **Autozi Internet Technology** filed without disclosing its IPO terms, but expected to raise ca. \$30 mn; an integrated solar energy company **SolarMax Technology** cut the size of its IPO by 40% to raise \$18 mn; Singaporean agricultural commodity trading company, **Davis Commodities** increased the price range of its IPO to raise \$14.4 mn; Chinese investor-focused, versatile securities brokerage company in Hong Kong, **Solowin Holdings** cut the size of its IPO by 33% and kept the assumed IPO price at the bottom of the price range to raise \$10 mn

IPO plans and rumors

Yahoo is planning a second IPO on Wall Street after delisting from public markets more than five years ago. CEO Jim Lanzzone stated that the tech company is profitable and well-positioned for a return to the stock market. Yahoo's stock experienced significant growth, surging over 600% within two years of its original IPO in 1996. The company was subsequently acquired by Verizon Communications in a \$4.5 bn deal and later sold to Apollo Funds in 2021. The decision to pursue an IPO comes at a logical time, with strong

demand for growth stocks in the market. Yahoo aims to search for growth opportunities through mergers and acquisitions, recognizing that it is still smaller compared to competitors like Google and Microsoft's Bing. While the company's prospects look promising, the question remains whether Yahoo can successfully compete with larger rivals.

L Catterton, the private equity firm supported by luxury fashion giant LVMH, is exploring strategic possibilities for iconic German sandal maker **Birkenstock**, including the potential for an IPO. According to Bloomberg, the IPO could value Birkenstock at over \$6 bn. L Catterton is working alongside advisors from Goldman Sachs and JPMorgan Chase on the potential listing, which may take place either this year or next. While discussions are ongoing and no final decision has been made, this move comes more than two years after L Catterton and the family investment firm of billionaire Bernard Arnault acquired a majority stake in Birkenstock, valuing the company at \$4.9 bn. The company's investment in German production facilities, including a new €120 mn factory in Pasewalk, demonstrates its commitment to expansion.

Bolt, the Estonian-founded mobility firm, is bustling with exciting developments as it gears up for its forthcoming IPO. Celebrating a decade since its inception as a ride-hailing app by founder Markus Villig, the company is now welcoming a new CFO, Mikko Salovaara. Formerly the Group CFO at Revolut, Salovaara brings a wealth of experience to Bolt's financial operations. Bolt proudly boasts a customer base exceeding 150 mn, alongside 3.5 mn partners comprising drivers and couriers. As Bolt prepares for its much-anticipated IPO, the arrival of Mikko Salovaara and his expertise promises to be invaluable in propelling the company towards sustainable growth and long-term profitability.

Munich-based fitness tech company **EGYM** is making significant strides towards an IPO after securing \$225 mn in a Series F funding round. Notably, this funding round sets EGYM apart as the first European company to receive backing from Affinity Partners, which focuses on American and Israeli companies expanding into various regions. EGYM plans to utilize the capital to expand its presence in gyms, enhance corporate subscriptions, and drive research and development efforts. The company's strong financial performance, with revenues surpassing \$130 mn in 2022 and showing significant growth pave the company's journey towards an IPO. With a total funding raised of over \$400 mn to date, EGYM has garnered support from notable investors like Mayfair Equity Partners and Bayern Kapital, while PJT Partners served as their exclusive financial advisor and placement agent for the Series F round.

SPAC activity

On July 7 the listing of **Global InterConnection Group** took place on Euronext Amsterdam as the result of the business combination of Global InterConnection Group and **Disruptive Capital Acquisition Company**. The business combination resulted in DCAC acquiring 100% of the issued and outstanding share capital of Global InterConnection Group SA together with the benefit of certain shareholder payables. The deal value exceeds €200 mn. Global InterConnection Group, a UK-based firm is a platform for the manufacturing, development, operation and ownership of interconnectors and other power transmission assets. Disruptive Capital Acquisition Company Limited, incorporated in 2021, is a SPAC listed on the Euronext Amsterdam.

ACG Acquisition is set to become the first SPAC listed on the LSE to undergo a de-SPAC transaction under the new SPAC regime introduced in August 2021. ACG plans to raise approximately \$301 mn in gross proceeds to fund its \$1 bn acquisition of two mining operations in Brazil producing nickel sulfide and copper concentrates. This deal will position ACG as the sole London-listed producer of nickel sulfide on a large scale and aligns with the growing demand for specialist metals in the electric vehicle sector. ACG's listing and acquisition adhere to specific rules and demonstrate the increased interest in SPACs and mining IPOs, driven by the push for sustainability, carbon neutrality, and the rise of electric vehicles. The success of SPACs in the coming months and years will be tested as more SPACs reach the end of their time to complete an acquisition or return funds to shareholders.

Haymaker Acquisition Corp. 4 disclosed terms for its \$200 mn SPAC IPO on NYSE. The company is focused on the consumer sector. Three Haymaker SPACs have previously gone public and each has completed a business combination.

Spark I Acquisition disclosed terms for its SPAC IPO to raise \$100 mn on NASDAQ. The company is focused on late-stage tech startups in Asia (outside China), or a US tech company with a strong Asia presence or strategy, with enterprise value greater than \$1 bn.

Commercial electric vehicle manufacturer **Arrival**, traded on Nasdaq, terminated its merger with SPAC. Arrival initially went public in March 2021 through a \$5.4 bn merger with **CIIG Merger Corp.** However, since then, Arrival has experienced production delays, changes in market focus, financial difficulties, and restructuring efforts. This turmoil has resulted in an 87% drop in Arrival's share price. In April 2023, Arrival announced plans to merge with another SPAC called **Kensington Capital Acquisition Corp** to avoid bankruptcy. However,

Arrival has now decided to redirect its focus and explore alternative avenues for additional liquidity. While some companies have utilized second SPAC deals to raise funds in a challenging market, it is uncertain whether this approach will become a widespread trend.

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