Rothschild & Co
Global Advisory

Growth Equity Update

August 2022 – Edition 5

- NASDAQ, down 33% from the start of the year to June 16, has now rallied and by 10th August is down just 19% ytd. The index rose 12% in July.
- The S&P 500 is -12% ytd having bottomed down 24% in mid-June.
- The Refinitiv Venture Capital Index, which seeks to monitor the real time performance of the VC industry, is down 45% ytd having been down 58% in mid-June. The index is up 27% over its mid-June levels.
- Macro still deteriorating: In late July the IMF reduced its 2022 global GDP growth forecasts to 3.2% (down 40bps from April) and 2023 to 2.9%. It increased its global inflation forecasts by c100bps in each of 2022 and 2023 to 8.3% and 5.7%.
- Q2 saw solid results from the big tech stocks, notably Apple, Amazon and Airbnb. Focus on cash and FCF generation from others. Notably Uber had its first ever positive FCF quarter.
- VC investor feedback suggests there is good activity in seed and early-stage rounds but that attractive opportunities in later stage companies are less frequent.
- Fundraising by VCs was strong in H1 2022. PitchBook data suggests US VC funds raised $137.5bn in H1, marginally short of 2021's full year figure of $142bn. Capital raised for European VC funds in H1 2022 was €12.3bn, modestly behind the same period in 2021.
- We look in detail at the Q1 results (end June) from SoftBank which showed a loss of 2,935bn yen at the Vision Funds (Q4 2,993bn yen loss). The approved investment amount in the Vision Funds fell to $0.6bn in Q2 from as high as $20.6bn in Q1 2021. CEO Masayoshi Son commented *“Our vision remains the same, our beliefs remain the same. …For new investments, we have to be more selective.”*

The view from SoftBank

SoftBank Group reported its Q1 figures to end June 2022 at the start of August. It announced a 3.16 trillion yen ($23.4bn) net loss at the group level which followed on from a 2.1 trillion yen loss in the March quarter. Q1 showed a total loss of 2,935bn yen at the Vision Funds, similar to the 2,993bn yen loss recorded in the Q4 March quarter.

Softbank is invested in a total of 473 companies. It has 94 portfolio companies in its Vision 1 Fund, has 276 companies in the SoftBank Vision2 Fund and 103 companies in its Latin American Funds.

Commenting on the sell off in technology stocks, Masayoshi Son, the chief executive of SoftBank Group commented that *"The world is in great confusion."*

He observed that SoftBank may have invested in more start-ups than it should have and that valuations had been *"in a bubble".*

He comments that some founders are unwilling to accept lower valuations in fresh funding negotiations.

“Unicorn companies’ leaders still believe in their valuations, and they wouldn’t accept that they may have to see their valuations [go] lower than they think. So, until the multiple of listed companies is lower than those of unlisted companies, we should wait.”

He commented the winter for publicly listed companies is continuing, but a similar downturn for startups *“may be longer.”*

SoftBank is now *“very selective”* in evaluating new investments. The company has reduced the size of its commitments, taking only 5% to 10% ownership in firms it backs.

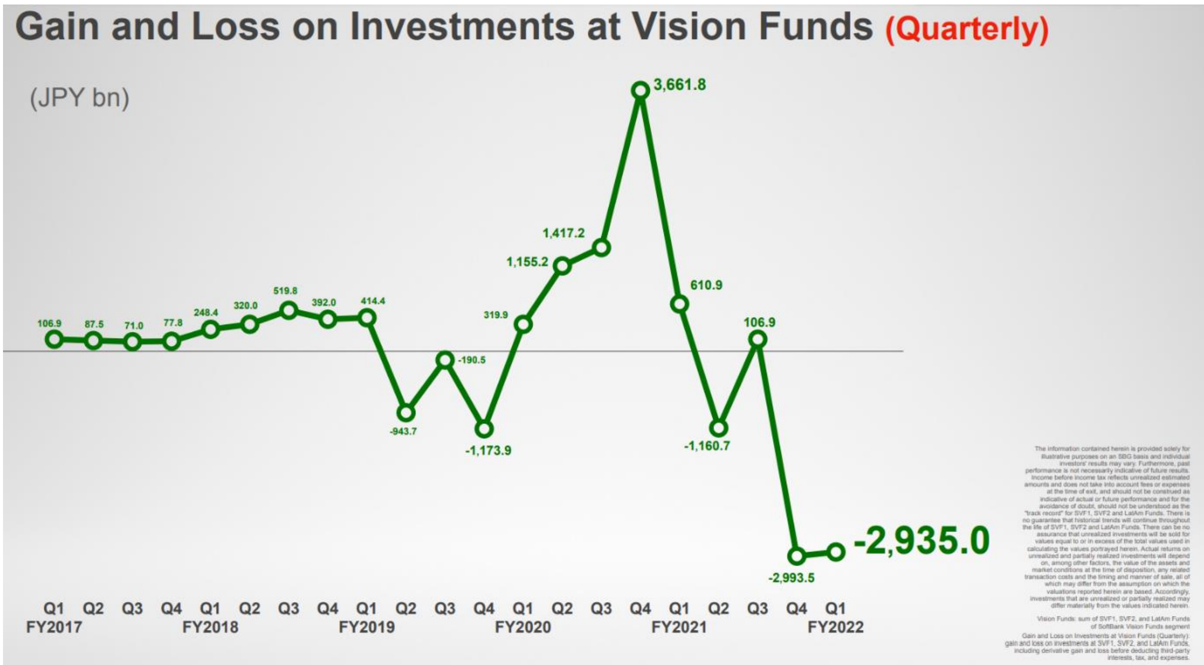
He states that the priorities for the SoftBank funds are now:

i) A substantial reduction of operational costs

ii) Heightened discipline for new investments

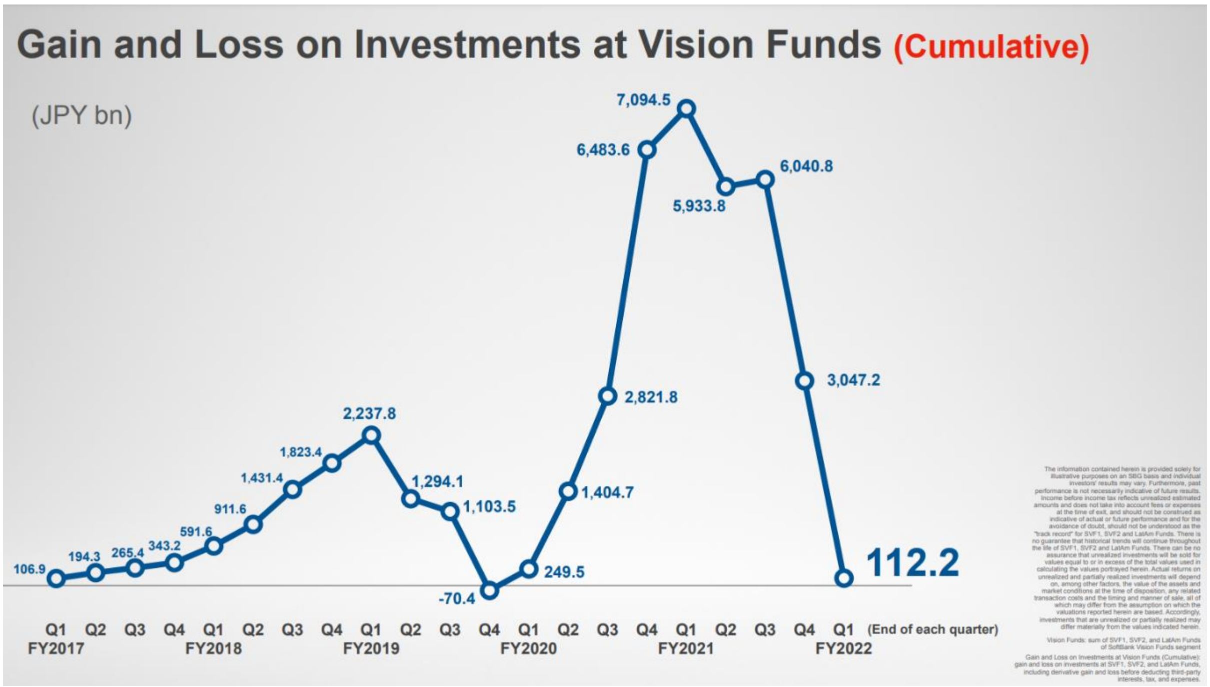
iii) A focus on enhancing the value of the current portfolio.

Q1 saw a total loss of 2,935bn yen at the Vision Funds. This was marginally smaller than the 2,993bn yen loss recorded in the Q4 March quarter.



Source: SoftBank

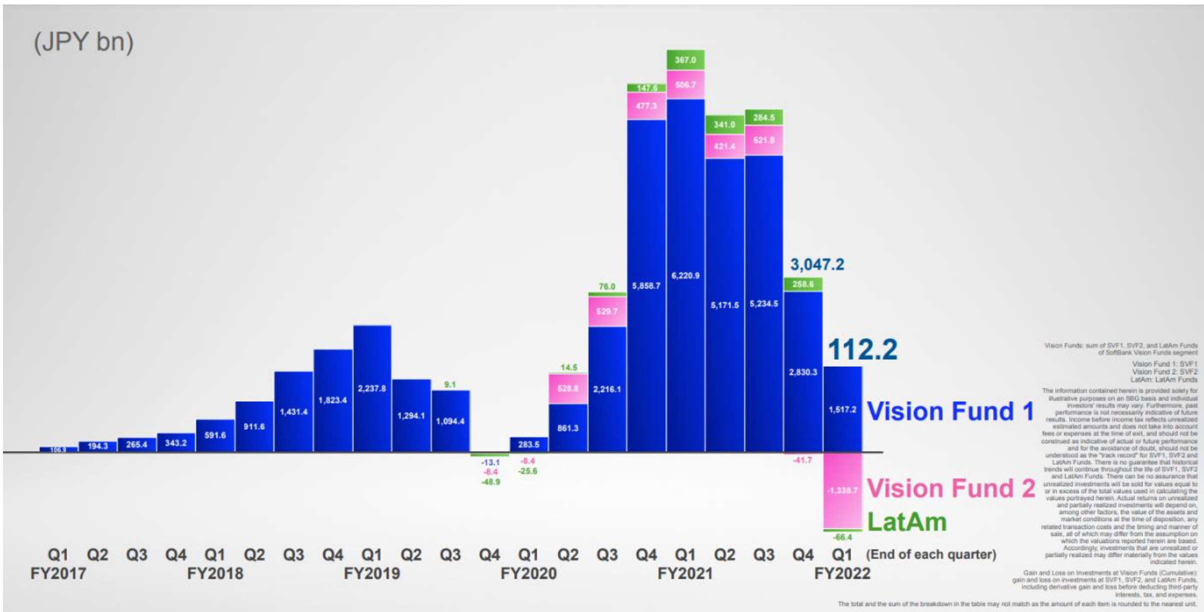
These significant reversals mean that the six year history of the SoftBank vision funds now shows just a marginal cumulative gain since inception at 112bn yen, down from a peak of 7,095bn in Q1 21 (June 2021).



Source: SoftBank

The dispersion of the result across funds reveals that the reversals are concentrated in Vision Fund 2 which has swung to a 1339bn cumulative loss. The fund was inaugurated in July 2019.

There is a marginal cumulative loss in the Latin American Funds while the Vision Fund 1, which started in May 2017, retains a cumulative gain of 1517bn yen.

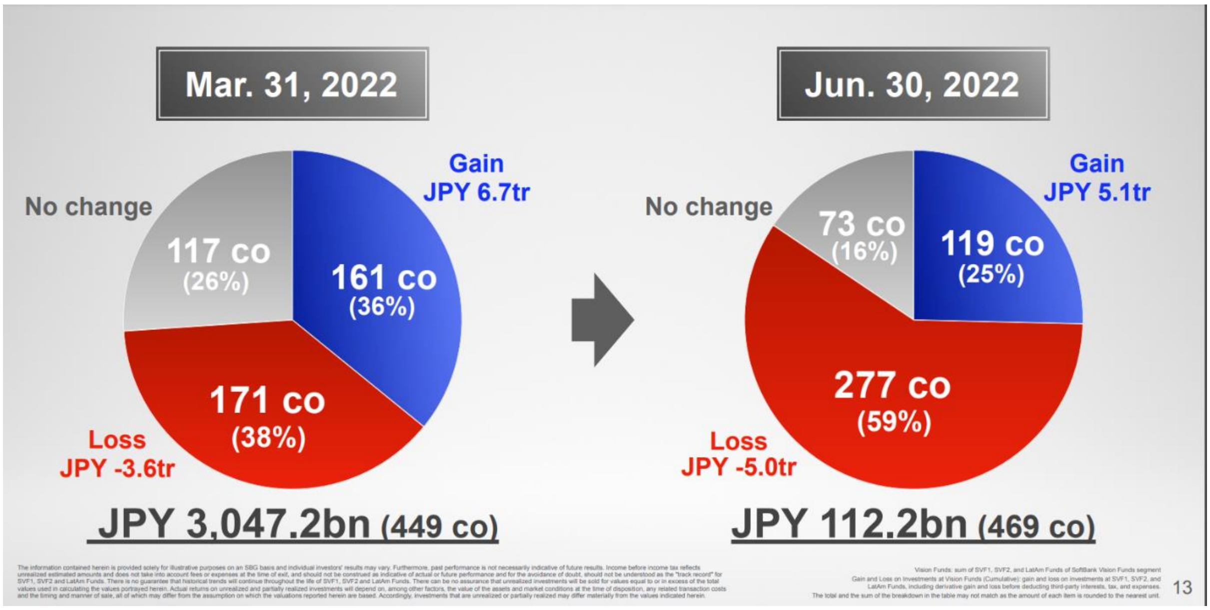


Source: SoftBank. JPY bn

The shift in the spread of gains by company shows that between the March and June quarters another 106 of the portfolio companies in the Vision Funds moved into cumulative loss and that this loss increased by 1.4 trillion yen to 5 trillion yen.

The number of companies showing gains shrank by 42 and the value of the gains fell by 1.6 trillion yen to 5.1 trillion.

59% of the companies by number in the portfolio are now showing a cumulative loss.



Source: SoftBank

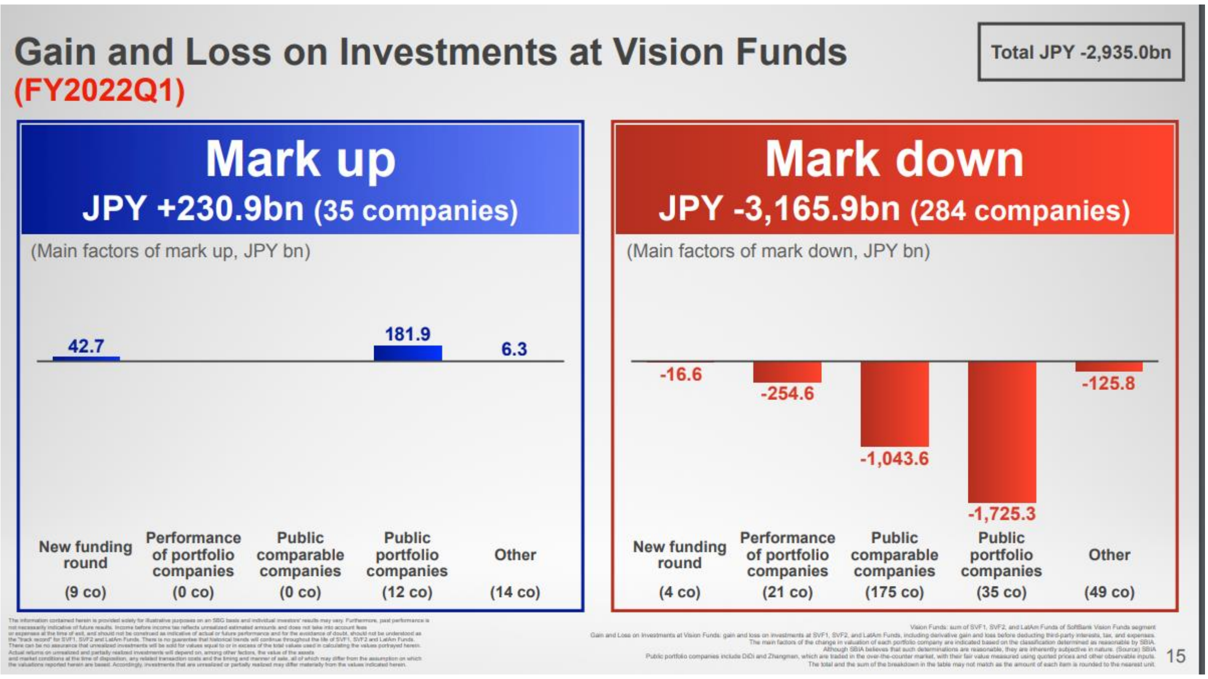
Pre-emptive markdowns of valuation: The largest item in the composition of the 3,165bn yen markdown of holdings in Q2 was the reduction in the value of public portfolio companies. The 35 public companies saw a 1.7 trillion-yen reduction in value.

In turn this induced a c1trn write down amongst 175 private companies in the portfolio with a public company equivalent.

21 companies saw a cumulative 254bn yen write down due to performance.

Interestingly only 16bn yen was written down as a result of a new funding round and there were only four such rounds in the quarter.

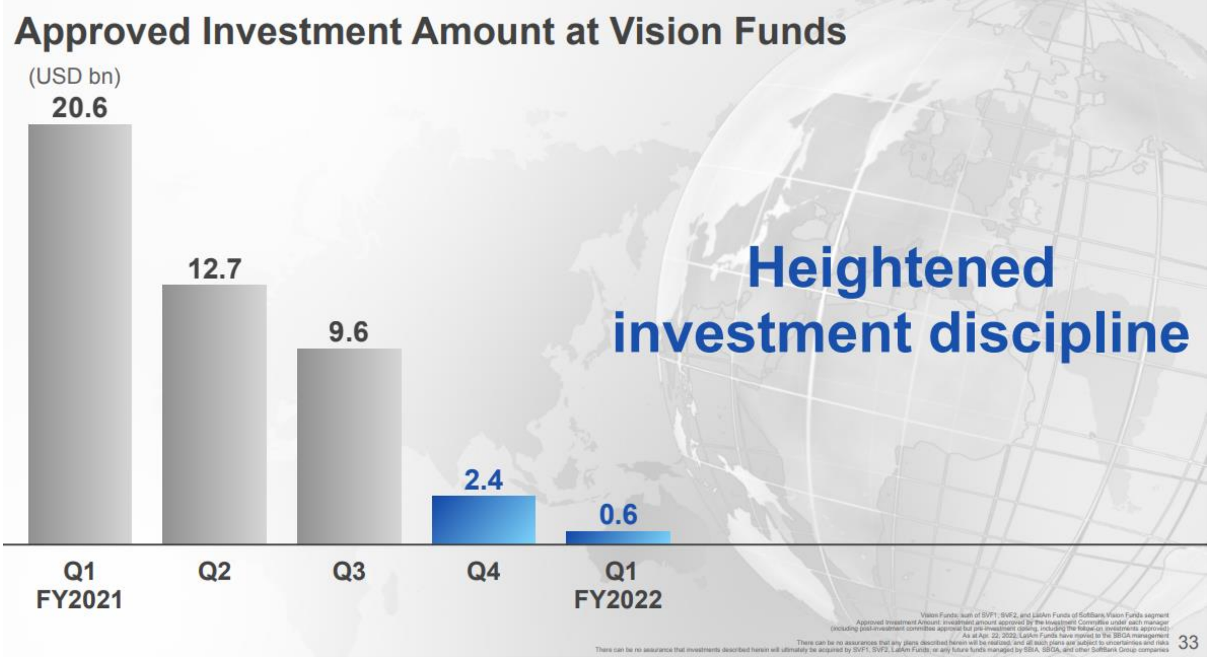
What this suggests is that SoftBank has anticipated valuation reductions in its private portfolio companies rather than waiting for down funding rounds to reveal this effect. While this has led to a dramatic write-down in the valuation of the SoftBank portfolio companies this anticipatory marking to market may imply that, if a change in market sentiment were to occur, the snapback in valuation would be potentially rapid.



Source: SoftBank

Slowing investments: SoftBank's response to changed market conditions has been greatly to slow the pace of new investments. The approved investment amount in the Vision funds fell to $0.6bn in Q2 from as high as $20.6bn in the equivalent quarter a year ago. This figure includes follow on investments.

Masayoshi Son commented *"Our vision remains the same, our beliefs remain the same. But we know we have to reduce operational costs, including headcount. For new investments, we have to be more selective."*



Source: SoftBank

Straws of hope: The NASDAQ rally in July meant that SoftBank has been able to give a snapshot of how its public company portfolios have somewhat recovered in value in the month or so since the accounting period end.

The Softbank Vision Fund 1 public companies rose in value by an estimated 7% from $53.7bn at end June to $57.5bn by 5th August 2022.

The Softbank Vision Fund 1 public companies rose from a valuation of $7.4bn at end June to $8.15bn at 5th August, a rise of 9%.

https://group.softbank/system/files/pdf/ir/presentations/2022/earnings-presentation_q1fy2022_01_en.pdf

Feedback from investors

We continue to monitor feedback from venture capital investors about the state of the market.

The venture capital market is still adjusting itself to the tougher environment of 2022 even as NASDAQ has seen a rally in July. The themes we are seeing are

(i) Investors are seeing a lot of activity and value in seed and early stage rounds (ii) Attractive opportunities in later stage rounds are fewer (iii) There is a sense that well placed companies are deferring raises in 2022 and that investors need to be wary of those who 'must' raise right now (iv) A rally in valuations short term is not widely expected and some feel current depressed valuations could persist for the next year or two.

Investor comments:

Early stage deals most prevalent

Seed and Early stage (before Series A) is going well

Early stage still being quite active

Cross over funds focused on late-stage rounds all repivoted and doing early stage rounds now

Early stage you are still insulated and there is still a good chance to upside further down the line

Activity levels

Not many good assets in later stage

Growth equity completely quiet

Mindset for a lot of businesses already shifted not to raise this year

A lot of best-in-class companies did massive rounds last year and generally well capitalised

Dynamics of fund raising

Travel is raising at the moment because they are having a great year but even they face issues

Many raises go for an extension but even that often doesn't work

Some raise venture debt now and want to come to market again later

Less activity overall

Things will start to move again towards the end of the year

What's attractive?

Three categories of companies right now

(i) capital intensive companies are raising now and are not attractive

(ii) Companies who raised in 2021 don't need to raise now

(iii)Some didn't raise in 2021 and need to raise now - these are the current attractive opportunities

Valuation

Valuations not likely to improve

Difficult to price things at the moment

General view is that multiples won't improve and not something that will correct itself in the next couple of years

Some companies would like to do a raise but founders still have in their mind they are worth a certain value but if you look at public markets the story is different

Market environment – Bear Market rally or a new paradigm?

Macro still deteriorating: The macro environment continues to deteriorate, and the threat of recession remains to the fore. In late July the IMF reduced its 2022 global GDP growth forecasts to 3.2% (down 40bps from April) and 2023 to 2.9%. It increased its global inflation forecasts by c100bps in each of 2022 and 2023, to 8.3% and 5.7%. It observed that the risks to the economic outlook are *"overwhelmingly tilted to the downside".* The IMF states that a plausible alternative scenario in which risks materialize, inflation rises further, and global growth declines to about 2.6% and 2.0% in 2022 and 2023, respectively, would put growth in the bottom 10 percent of outcomes since 1970.

NASDAQ rallied 12% in July: Meanwhile, after a dismal start to the year, the technology heavy NASDAQ index rose 12% in July. It was the best July performance ever by the index and its biggest monthly increase since April 2020.

The move was despite the Fed raising interest rates by a further 75 bps, a move that had been largely anticipated. The market appears to be assuming that the series of aggressive rate rises by the Fed has increased the likelihood of economic slowdown and even recession. The hope is, in turn, that this will reduce the future need to further raise interest rates. This may be an optimistic interpretation of the prognosis.

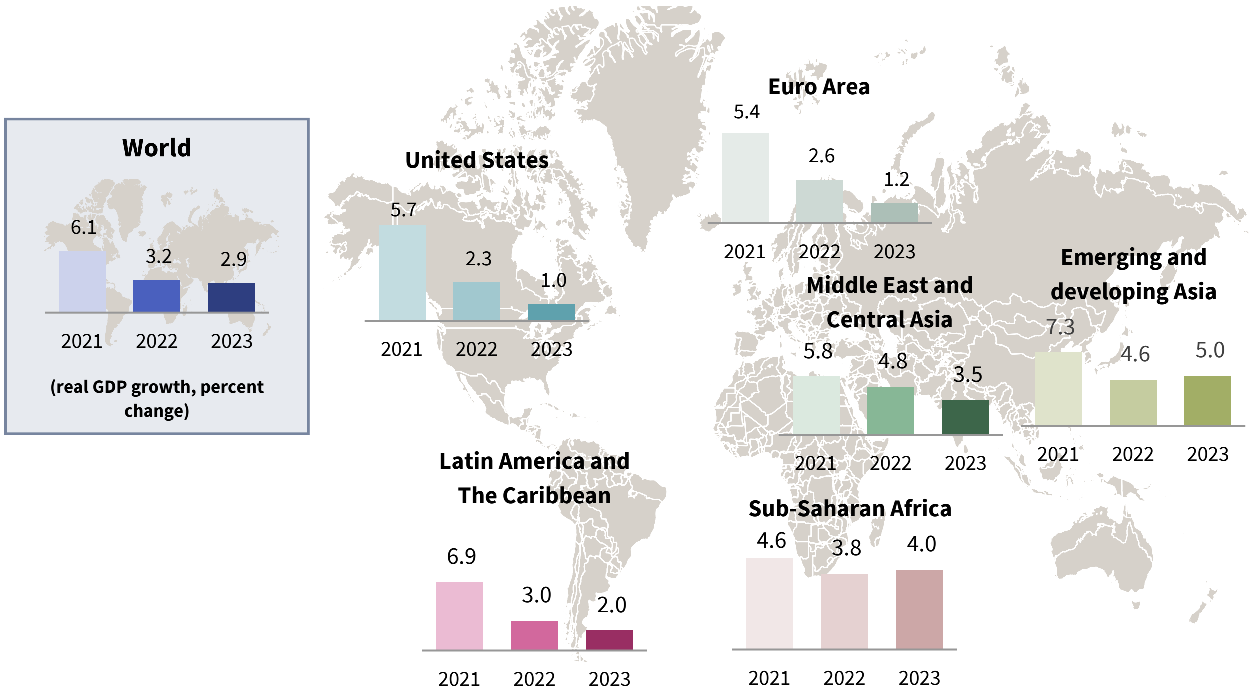
Robust results in big tech: NASDAQ also appeared to be supported by robust results from big tech stocks. Amazon shares rose 14% on its Q2 results at the end of July following a revenue beat ($121bn vs $119bn consensus expectation). Q3 sales guidance of $125-$130 bn (13% - 17% yoy growth) was also ahead of expectations (css $126bn). Amazon shares saw their biggest monthly gain, up 27%, since October 2009.

Apple shares rose 19% in July, its strongest move for two years, after reassuring Q3 numbers. Although group revenue rose just 2% yoy and iPhone revenue by 3%, iPhone sales beat consensus expectations in a *'challenging operating environment.'* CEO Tim Cook was relatively reassuring about Q3.

'In terms of an outlook in the aggregate, we expect revenue to accelerate in the September quarter despite seeing some pockets of softness."

World Economic outlook update July 2022

Growth Projections by region (percent change)



Source: IMF

Growth focuses on cash: Other tech results provided a different sort of reassurance to the market by focusing on cash performance. Uber shares rose 19% after its Q2 when the company recorded its first ever quarter of positive free cash flow. The company announced a net loss of $2.6bn ($1.7bn of which was in losses on its equity investments) but positive free cash flow of $382m. It had previously targeted end 2022 to reach positive FCF.

"We became a free cash flow generator in Q2, as we continued to scale our asset-light platform, and we will continue to build on that momentum. This marks a new phase for Uber, self-funding future growth with disciplined capital allocation, while maximizing long-term returns for shareholders." Nelson Chai, CFO.

At the other extreme of size Cazoo, which listed on NASDAQ via a SPAC in 2021, saw its share price double on the day of its Q2 results to $1.05 (still down 83% ytd). Q2 revenues rose 145% yoy with record unit sales. The response of the share price appeared though to be a response to cash related items. Notably there was a significant improvement in UK Retail gross profit per unit (GPU - up by 150% vs Q1 2022). The market also responded warmly to the plans to hold back on incremental investment in Europe to preserve cash.

Whilst our growth remains very robust, we are laser-focused on maintaining our strong balance sheet, preserving cash and materially reducing the need for further funding as we drive towards profitability……given our focus on cash preservation and achieving profitability, we have initiated a full strategic review of our business in mainland Europe, with a view to further reducing cash burn and aiming to ensure that we have an executable plan which materially reduces any further external funding requirement." CEO Alex Chesterman

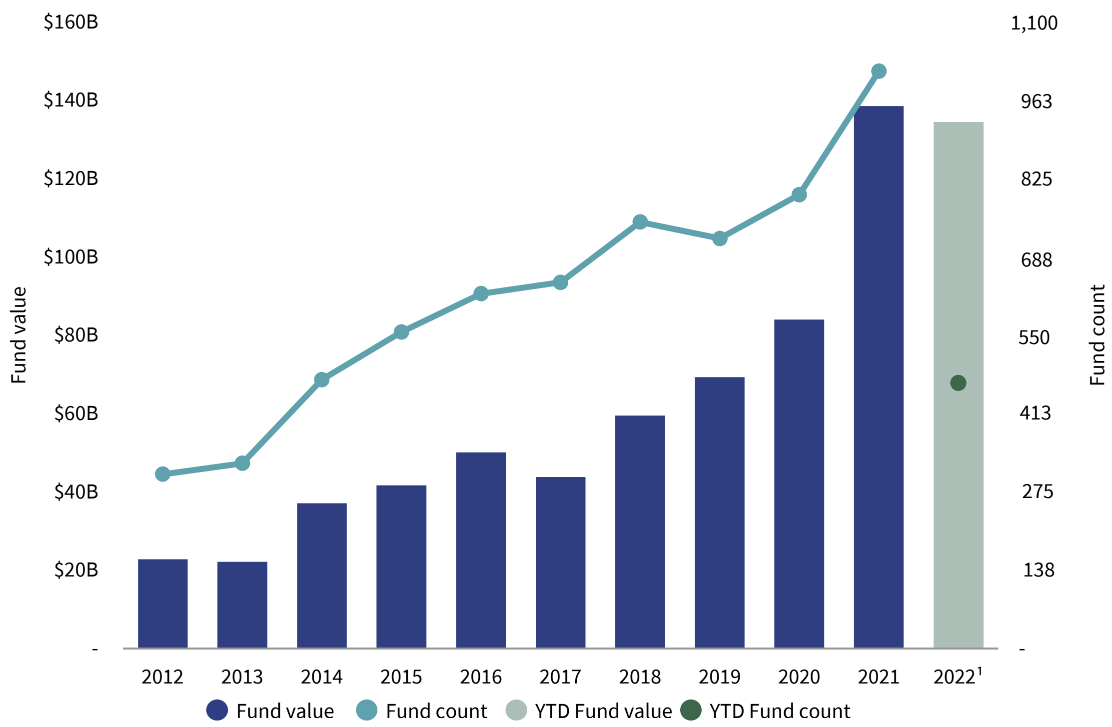
This paradigm of resilience over growth was seen in the reporting of two media businesses. Pearson and Ascential reported on the same day. Pearson, seen as a mature education publisher, disappointed modestly on organic revenue growth but announced £100m of fresh cost savings. The shares rose by 14% on the day. Ascential, whose core Digital Commerce business offers execution services for brands on eCommerce platforms, saw 15% organic revenue growth but disappointed on margins due to incremental investment. The shares sank 13% in a day – a 27 point swing across the two stocks.

In microcosm this is the market attitude at the moment. The market has swung from a preference for raw revenue growth. It is paying greater respect to EBITDA, positive cash flow and earnings resilience.

Venture Capital fundraising – 2022 is strong

According to PitchBook data as of July 22, VC funds in the US have raised $137.5bn of funding ytd, just marginally short of 2021's full year figure of $142.1 bn.

US VC fundraising activity



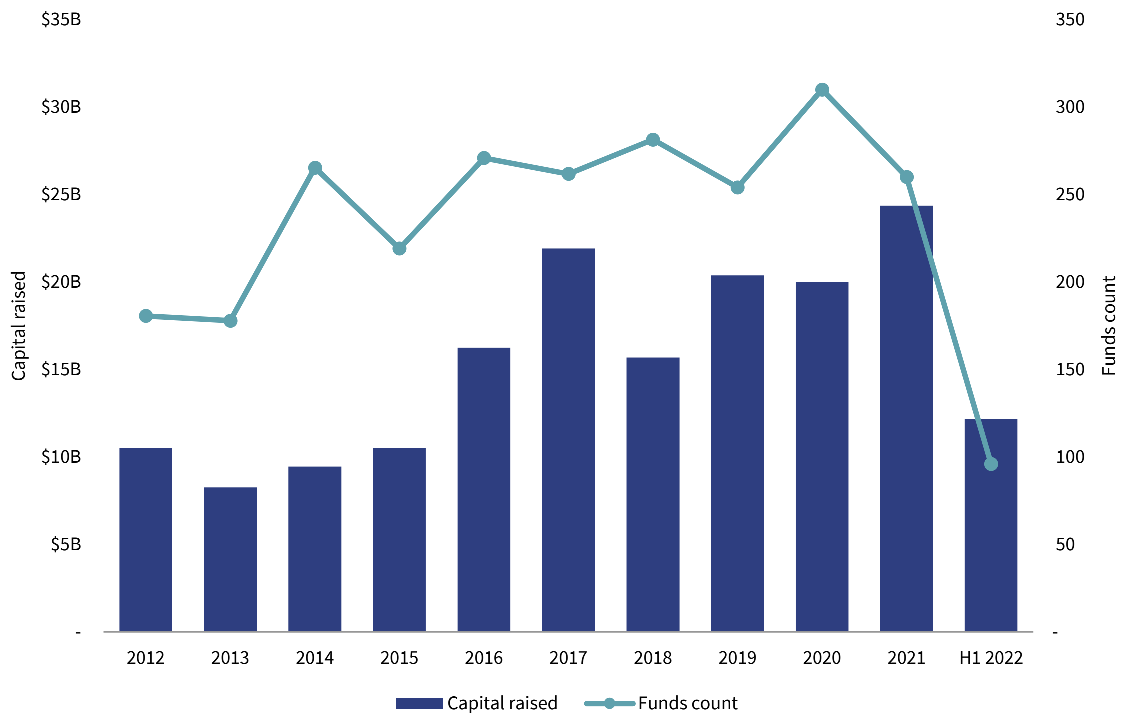
Source: Pitchbook

The trend is expected to slow in H2 given asset allocation restrictions for VCs and LPs plus the recent underperformance of the VC asset class. Observers note that current activity in fund raising is at a lower level of activity.

In Europe we see a similar picture. Capital raised for VC funds in H1 2022 was €12.3bn, just modestly behind the same period in 2021. If the pace were to be maintained in H2 the fundraising would just about match the €24.8bn of 2021.

Most of the new money is being attracted into larger existing funds. The number of new VC funds in Europe was 98 in H1, the lowest figure since 2013.

European VC fundraising activity (€m)



Source: Pitchbook

Crypto – Surprisingly robust

Data from Crunchbase shows that H1 fundraising by crypto companies totalled $9.3bn in H1 2022. This was down from $12.5bn in H1 2021. Q2 2022 though stood at $4.2bn, flat on Q2 2021.

This Q2 statistic is particularly resilient given the difficulties that the crypto market has faced in recent months.

- The valuation of the two major cryptocurrencies is down 70% from the recent highs in November 2021. Bitcoin dropped 55% in value during Q2 alone.
- In May the TerraUSD stablecoin lost its dollar peg with it sudden decline also   collapsed causing the collapse of its sister coin, Luna. The pressure on these also saw Tether briefly lose its peg to the dollar at the start of May.
- The problems spread to the large lending platforms Celsius suspending withdrawals in June. This in turn led to the company filing for bankruptcy in mid-July.
- Affected by the collapse in Terra and decline in cryptocurrency levels the crypto hedge fund Three Arrows Capital went into bankruptcy in late June. In turn this was instrumental in the problems facedby the Voyager lending platform which suspended all withdrawals and trading at the end of June and went into bankruptcy proceedings in early July.
- Other platforms that suspended withdrawals and trading in June included Babel Finance and CoinFLEX followed by Vauld and Zipmex in July.

Significant investors have continued to raise funds to invest in crypto businesses. In May this year ***Andreessen Horowitz*** raised $4.5bn for its Crypto Fund 4. Chris Dixon of Andreessen Horowitz commented,

'We think we are now entering the golden era of web3. Programmable blockchains are sufficiently advanced, and a diverse range of apps have reached tens of millions of users. More importantly, a massive wave of world-class talent

has entered web3 over the last year…That's why we decided to go big. We've been investing in crypto since 2013, and today we're announcing our fourth crypto fund, totalling $4.5B. Of that, approximately $1.5B will be dedicated to seed investments, and $3B to venture investments. This brings our total crypto/web3 funds raised to over $7.6B.

We're going to use these funds to invest in promising web3 startups at every stage. We are excited about developments in web3 games, DeFi, decentralized social media, self-sovereign identity, layer 1 and layer 2 infrastructure, bridges, DAOs & governance, NFT communities, privacy, creator monetization, regenerative finance, new applications of ZK proofs, decentralized content & story creation, and many other areas.'

In early July ***Lightspeed Venture Partners*** announced three U.S. funds totalling $6.6bn plus a $500m India early-stage fund. Simultaneously it announced Lightspeed Faction, an independent team dedicated to building on *'Lightspeed's nine year history in blockchain infrastructure.'*

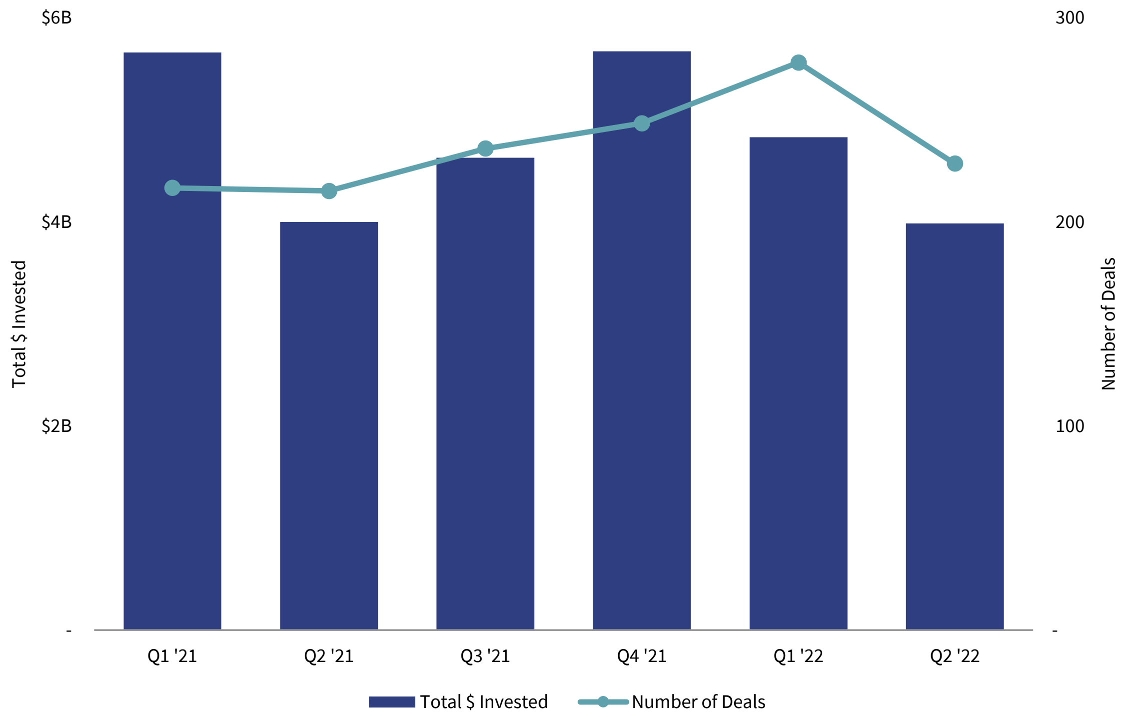
Faction backs disruptive crypto projects at the early stage. We invest in the best entrepreneurs at the Seed and Series A, across both equity and tokens. Our approach is flexible and long-term because we think crypto will be big, disruptively, seismically big, in the next few decades. …. We invest across the stack (layer zero to applications) and sectors (DeFi to NFTs). Regardless of vertical or horizontal, our north star is always the same: great entrepreneurs creating real utility and pushing the frontier.'

In March 2022 ***Bessemer Venture Partners*** announced $250m in dedicated capital for founders building companies across three core areas: Consumer crypto, DeFi, and Web 3 infrastructure

It also launched BessemerDAO, *' a web3 community for founders, creators, and operators. Our goals for BessemerDAO are to help the crypto community meet talent, trade ideas on product, business development and tokenomics, extend visibility into where innovation is happening in the crypto space, and ultimately, aid in staying ahead of major shifts and trends in web3.'*

Funding for VC-backed Crypto startups

Include pre-speed, seed and all venture rounds.



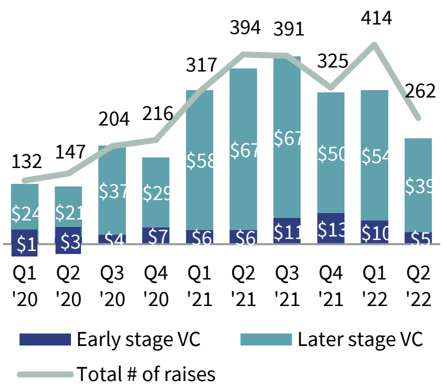
As Toby Ross Managing Director who heads up Rothschild & Co's FinTech advisory franchise commented in our last update,

'I think we need to disconnect cryptocurrency market pricing from the underlying technology and its sustainable and responsible uses cases. The pricing of cryptocurrencies marketed to retail investors is driven by a range of rational and irrational factors and is inherently volatile…..We need to separate this from the underlying technology which in my view is a powerful force for change that can be harnessed to re-engineer financial services infrastructure. One example- there are indisputable inefficiencies in the ways in which assets are traded, cleared, settled and held in

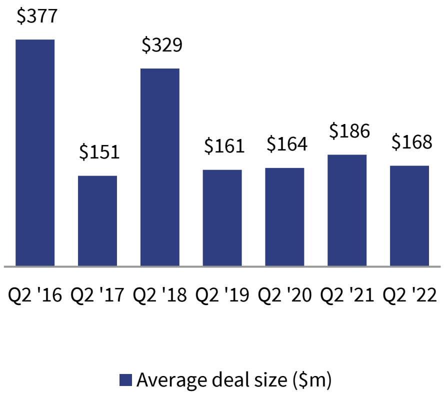
custody in the fiat world. There is huge latent potential here to deploy blockchain technology to create value by resolving these inefficiencies.'

Private capital market overview – Q2 2022

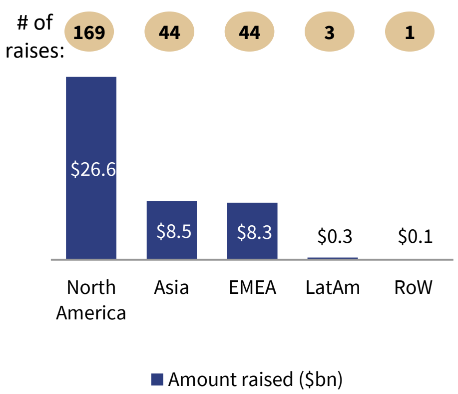
Quarterly deal volume ($bn)[1,2]



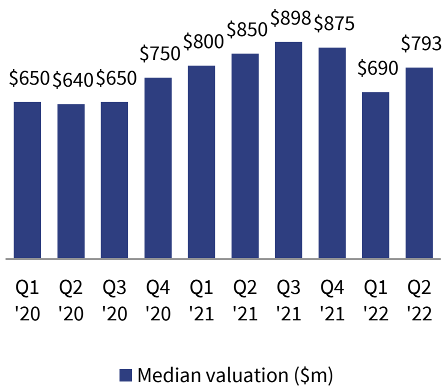
Historical Q2 average deal size ($m)



Q2 2022 deal volume by region ($bn)



Quarterly median pre-money valuation ($m)



Private capital market activity continued to slow in Q2 2022, as public market volatility caused by geopolitical tensions, inflation concerns and subsequent interest rate hikes weighed on investors

Deal volume by transactions in Q2 2022 fell -34% year-over-year while the average deal size was its lowest in a second quarter since Q2 2020

Valuations remained suppressed in Q2 2022, albeit slightly higher than Q1 2022, as the public market rerating bled into the private market and structure cautiously masked the true realities of the prevailing market tone

Sources: Pitchbook including all completed VC and growth equity deals greater than $25 million with at least $250 million pre-money equity value
Notes:
1. Early stage VC defined as Angel round, Seed round, Series A - Series B venture rounds and/or deals that occurred within 5 years of the company's founding dale
2. Later stage VC defined as Series C or greater venture rounds and/or deals that occurred more than 5 years after the company's founding date

Q2 2022 observations

- Investors deployed 40% less capital from the same quarter last year with more restrictive deal terms and conservative valuations to grapple with continued market volatility and near-term recessionary fears
- Amid deteriorating macro and geopolitical conditions, June witnessed a decline to just 25 companies reaching “unicorn status”, representing the lowest monthly level since December 2020
- 7 of the 10 top investors in Q2 made more investments in portfolio companies as a percentage of their total investments QoQ. as current market conditions push investor focus further towards supporting existing investments
- In an effort to continue deploying excessive dry powder while taking advantage of the public market dislocation, traditional VC's, such as Thrive Capital. a16z and GGV Capital, crossed over into the public markets to support existing portfolio companies and pursue new investment opportunities

Top deals globally from Q2 2022

Rank	Company	Sector	Deal size	Valuation	Lead
1	EPIC GAMES	Software	$2.0	$31.5	
2	中国华融 CHINA HUARONG	Banking	$1.8	$4.4	Central Huijin Investment Ltd.
3	SPACEX	SpaceTech	$1.7	$125.0	NOVOS CAPITAL
4	TRADE REPUBLIC	FinTech	$1.2	$5.3	SEQUOIA; ONTARIO TEACHERS'; Accel
5	FAIRE	E-commerce	$0.8	$12.6	SEQUOIA

Most active investors in Q2 2022 based on # of deals

VC / Growth investors

	Investor	Deal#	# port. Invest. (vs. Q1 2022)[2]
1	INSIGHT PARTNERS	20	10 (+1%)
2	Accel	19	18 (+15%)
3	SEQUOIA	19	14 (+13%)
4	GENERAL CATALYST	12	7 (+1%)
5	andreessen horowitz	11	10 (+20%)

Crossover investors

	Investor	Deal#	# port. Invest. (vs. Q1 2022)[2]
1	TIGERGLOBAL	27	14 (+18%)
2	Goldman Sachs Asset Management	12	1 (-12%)
3	COATUE	9	3 (-32%)
4	TEMASEK	9	4 (+17%)
5	NEA	8	6 (-5%)

Highest valuation watermarks for Series A or B raises in Q2 2022

Rank	Company	Sector	Deal size ($m)	Valuation ($bn)[1]	Lead investor(s)
1	KUCOIN	Crypto	$150	$10.0	jump_
2		BioTech	$76	$5.0	
3	ANTHROP\C	Artificial Intelligence	$580	$4.0	CAROLINE ELLISON
4	wonder	Internet	$350	$3.9	BainCapital
5	GAMES24	Software	$75	$2.4	MALABAR INVESTMENTS

Source: Pitchbook including all completed VC and growth equity deals with at least $250 million in pre-money equity value. Press releases. CrunchBase. CB Insights
Notes:
1. Post-money valuation

Difference shown is delta between Q2 and Q1 2022 proportion of deployment in existing portfolio companies relative to total investments in the quarter

Produced by David Kleban

Our views on the state of the venture capital markets

Since the start of 2022 we have seen sharp falls in the public markets on the back of a combination of rising global inflation, rising interest rates and increased geopolitical risk. Markets though have rallied since mid-June. NASDAQ, weighted towards growth and tech and down 33% from the start of 2022 at its low point, rallied in July and is now down 19% ytd. The more broadly based S&P 500 is down 12% ytd having been as much as 24% down. The Refinitiv Venture Capital Index, which seeks to monitor the real time performance of the venture capital industry is down 45% ytd having been as much as 58% down in mid-June. A tricky earnings season has been negotiated. August is a quiet month. It means September will be the real test of the market’s new-found direction. High inflation is inducing substantial negative real interest rates yet there is substantial cash on the sidelines. This could be deployed into equity markets as a counter, thereby sustaining the rally.

Our summary of the outlook is:

- The deteriorating interest rate, inflation and macro-economic environment has had a sharp impact on valuations in private markets. The scale of the fall in the Refinitiv VC index is much more substantial ytd even than the fall on NASDAQ. This has been reflected in some big valuation falls on some high-profile VC rounds.
- There is substantial dry powder in the VC industry at close to $500bn.This may now be prioritised to supporting existing rather than new investments.
- Best-in-class companies, addressing critical rather than nice-to-have requirements, continue to attract support. There are still hotspots for investment notably in fintech and software. Certain investors remain very active in the space with substantial funds to deploy.

- There will be a growing number of down rounds, albeit the substantial fund raising of 2021 and the ability of companies to eke out existing resources may limit the immediate number of these.
- The speed of the investment process appears to have slowed considerably. The volume of new deals has reduced. The level of diligence on new deals has stepped back up.
- Funding for the VCs themselves remains strong which is a positive indicator for H2 2022 and into 2023.
- Valuation priorities have shifted with investors moving away from a growth and revenue multiple emphasis. There is a sharper focus on the path to profitability and positive free cash flow and an emphasis on DCF and comparative based multiples.
- An interesting paradigm is that earnings forecasts for public companies have not fallen much as yet. The fall in the market indices indicates the buy side anticipating earnings deterioration. This in turn means that multiples for public companies are low by recent standards. As earnings forecasts start to fall (the crunch time is usually Q3 when companies begin to run out of road to make up shortfalls) multiples should naturally inflate. At that point, as multiples for public companies recover, the prospect of fundraising for growth oriented private companies becomes more attractive.

Rothschild & Co: Selected 2022 deals in Growth Equity and Private Capital

A selection of the deals on which we have advised thus far in 2022.

Carsome: US$290m Series E

- US$290m Series E fundraise led by SeaTown Holdings International and 65 Equity Partners Holdings
- The funding round brought Carsome's valuation to US$1.69bn, cementing its position as Malaysia's first and largest tech unicorn
- This was the second fundraise by Carsome this year following the US$170m Series D2 round in September 2021, on which we also advised

Marwyn Acquisition Company II: £500m equity raise

- In March 2022 advised Marwyn Acquisition Company II on the launch of its equity raise, by way of a 12-month placing programme
- The company will seek to raise up to £500m during the next twelve months from equity investors in a structure which is distinct from the typical 'SPAC' structure

FL Entertainment: €7.2bn combination with Pegasus Entrepreneurs and simultaneous c€550m equity raising

- FL Entertainment is composed of Banijay, the largest independent content producer globally, and Betclic Everest Group, Europe's fastest-growing sports betting platform. Pegasus Entrepreneurs is an Amsterdam-listed SPAC backed by Financière Agache and Tikehau.
- Largest ever European SPAC business combination and PIPE raising.
- FL Entertainment becomes Amsterdam-listed, with pro forma market capitalisation of €4.1bn

Insight Partners: strategic investment in Precisely

- Led investment in a recap of Precisely Software Incorporated, in an investor group that will also include Partners Group, Clearlake Capital, TA Associates, and Centerbridge Partners
- Precisely is a leading data integrity and infrastructure software company targeting enterprise customers. Its software solutions are used to help its customers organize, validate, collate and analyze data in an accurate and efficient manner across diverse environments.

Kpler: Minority stake Acquisition

- Sole financial adviser to Five Arrows Growth Capital and Insight Partners on their joint acquisition of a minority stake in Kpler Holding S.A. from its founders.
- The transaction consisted of an acquisition of c.30% of the secondary share capital of Kpler plus a primary investment of €20m into the Company
- Kpler is a leading SaaS provider of data and analytics to energy markets by leveraging satellite and other data sources to provide real-time insight on demand and supply fundamentals across commodity types.

Harmay: US$90m Series D

- Harmay is a premium beauty retailer offering 9,000+ SKUs from 400+ international brands in China, and via its WeChat mini-program store
- Advised Harmay on its US$90m Series D equity financing from a group of leading Chinese and global growth equity /venture capital funds
- Raise was led by QY Capital (an entity related to Alibaba New Retail Fund) and included existing investors General Atlantic, Eastern Bell Capital, N5 Capital and Ocean Link

SEBA Bank: CHF110m raise

- In January 2022 acted on SEBA's CHF110m fundraising co-led by a consortium of new investors specialized in blockchain and fintech including Altive, Ordway Selections and Summer Capital
- DeFi Technologies, a NEO listed leader in decentralized finance, and Alameda Research, a global cryptocurrency quantitative trading firm, also participated

First Digital Bank: US$120m capital raise

- First Digital Bank (FDB) is the first bank to receive a banking license in Israel for over 42 years and the first neobank to operate in Israel
- Advised on FDB's US$120m capital raise through a syndicate of investors which included Tencent, SBI Investment Co, Julius Baer, and West Coast Equity Partners
- Transaction valued FDB at US$320m on a post-money basis and built on the success of Rothschild & Co's £325m Series D fundraise for Starling Bank in 2021

Fibrus: £270m seven-year debt package

- Fibrus is an alternative provider of full fibre network infrastructure and broadband in rural UK
- Advised Fibrus in relation to a £270m seven-year debt package, comprising a £200m capex facility, £20m revolving facility and up to £50m uncommitted accordion facility
- We are highly active in European fibre infrastructure with this transaction marking our 7th debt financing mandate in UK fibre in the last 3 years following mandates with G.Network, CityFibre, Covage, Altice, Gigaclear, INEA and inexio

Neuberger: US$4.8bn valuation Getty Images combination

- CC Neuberger Principal Holdings II is a special purpose acquisition company that completed its initial public offering in July 2020, raising US $828m in proceeds
- Advised the company on its proposed business combination with Getty Images valuing the target company at an enterprise value of US $4.8bn, equivalent to 15.2x enterprise value to 2022E Adj. EBITDA of US $315m
- Transaction is expected to close in the first half of 2022, subject to customary closing conditions

Azerion: €1,300m enterprise value combination with EFIC1

- Azerion provides technology solutions to automate the purchase and sale of digital advertising inventory for advertisers, publishers and game creators. It also operates online games and digital content
- Advised Azerion on its €1,300m enterprise value combination with European FinTech IPO Company 1 B.V ("EFIC1") - a SPAC that raised c.€382m through IPO on Euronext Amsterdam in March 2021 with the objective to combine with a fast growing, profitable and tech-enabled European champion
- Landmark transaction - one of the largest de-SPAC transactions across Europe to date

Gousto: £240m primary and secondary rounds

- In January 2022 completed a £70m primary financing for food delivery company Gousto with Softbank Vision Fund 2
- In February we completed the secondary component of £170m from institutional investors including SoftBank, Grosvenor Food & AgTech, Railpen and Fidelity International
- Transaction valued Gousto at £1.2bn on a pre-money basis, ~£400m higher than the December 20 round, with EV/EBITDA in the mid 20s

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