Rothschild & Co
Global Advisory

Growth Equity Update

July 2022 – Edition 4

- NASDAQ is -27% ytd, the S&P 500 is -19% ytd. The Refinitiv Venture Capital Index, which seeks to monitor the real time performance of the VC industry is down 53% ytd.
- Q2 2022 global VC investment in private companies was $120bn, -27% yoy. Although the lowest quarterly amount invested since start 2021, it still exceeded the level of any quarter in 2020.
- VC investor feedback suggests they are seeking opportunities; there are attractive deals available, though the volume has reduced and there are more internal rounds. Valuations remain under pressure and some feel they will fall further in the next 12-24 months.
- Trends in VC markets include more structured deals; greater diligence; M&A and focus on burn rates. Some VC companies have been reported to be buying shares in recently listed businesses with depressed valuations.
- Velocity of fundraising by VCs remains strong. Pitchbook NVCA calculates US VCs raised $121.5bn in H1 2022 exceeding by some distance the annual totals for 2019/20 ($70.5bn/$85.4bn) and already at 87% of the annual level of 2021.
- Half full/ half empty? Klarna's recent $6.7bn valuation was -85% vs mid-2021. The positives were the size of the raise at $800m and new blue-chip names on the cap table.
- FinTech fund raisings remain strong. European FinTechs raised H1 2022 European $13.2bn from VCs in H1 2022 vs the H2 2021 peak at $14.1bn and $13.5bn in H1 2021 - and 2x H1 2019 ($5.9bn) and H1 2020 ($4.5bn). In this issue we interview the Head of Rothschild & Co's FinTech team on current trends and opportunities

Klarna - Down $39bn ...or down $580m?

Klarna – it all depends….

Klarna has announced a new $800m fundraising valuing the business at around $6bn pre money and $6.7bn post money. Canada Pension Plan Investment Board (CPPIB) and the Abu Dhabi state investment fund Mubadala appeared as new investors. Existing Klarna backers including Sequoia Capital and Commonwealth Bank of Australia also participated. The round at $800m was bigger than the market had expected.

Much of the press commentary had an 'end of days' feel to it citing the fall away from the peak valuation of Klarna at $45.6bn in June 2021.

Klarna's valuation crashes to under $7bn in tough funding round' - Klarna, once Europe's most valuable private tech company, has had its price tag slashed from $46bn to $6.7bn …highlights the crash in many tech valuations.' FT July 11 2022.

The ostensible fall at Klarna is from the peak valuation at $45.6bn in June 2021 to the $6.7bn now cited, a drop of 85%. The June 2021 round which raised $639m and valued Klarna at $45.6bn was though smaller than its two predecessor rounds in March 2021 and September 2020. These rounds raised $1bn and $650m at valuations of $31bn and $10.6bn respectively, well below the peak level.

Looking further back in 2019 Klarna raised $460m at a valuation of $5.5bn, a valuation still exceeded in the most recent round. In December 2011 the early backers of Klarna who invested $155m at a valuation of just under c$1bn would still be showing a substantial gain at the most recent valuation.

VCs as a group are down c20% or $580m. If we look at the five previous major rounds of funding, Klarna received total investment in those rounds of $2.904bn. The last three rounds represented respectively 22%, 34% and 23% of the total invested in Klarna and, based on the latest valuation, have 'lost' 85%, 78% and 37% of the value of their investment. The 2019 investors (16% of funds invested) are up 22% and the 2011 investors (5%) are up by 5.7x. ***On average the loss of value to venture investors as a group (acknowledging different investors participated in different stages) is 20% or $580m.***

As and when the valuation of Klarna resumes an upward trajectory (presumably the intent of the new investors) then the eventual 'VC group loss' on Klarna would be defrayed further.

Indeed Michael Moritz, Partner at Sequoia and on the Board at Klarna commented: *"The shift in Klarna's valuation is entirely due to investors suddenly voting in the opposite manner to the way they voted for the past few years. …… Eventually, after investors emerge from their bunkers, the stocks of Klarna and other first-rate companies will receive the attention they deserve".*

Klarna – Previous fund-raising record and the 20% 'loss' for the VC group so far

Round date	Amount Raised $m	Post money valuation Valuation $bn	% of money raised	Gain/loss vs $6.7bn
Jul-22		6.7		
Jun-21	639	45.6	22.0	(85%)
Mar-21	1,000	31.0	34.0	(78%)
Sep-20	650	10.6	22.4	(37%)
Aug-19	460	5.5	16.0	22%
Dec-11	155	1.0	5.0	570%
Total	**2,904**		**100.0**	**(20%)**

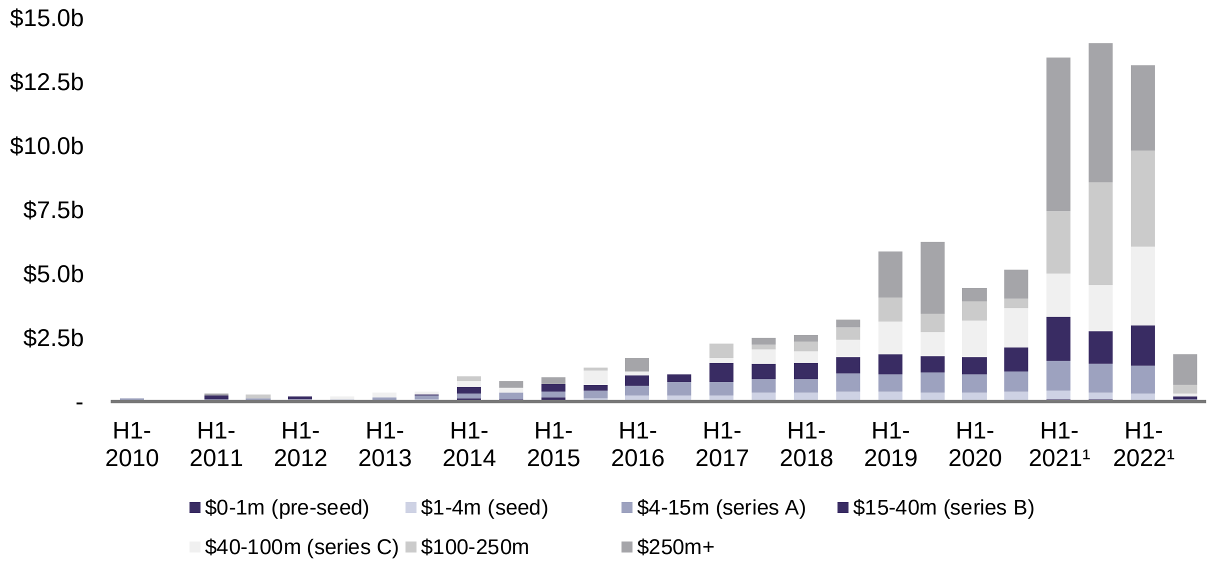
Source: Public data; Rothschild and Co

Assessing the mood in FinTech

According to Dealroom figures, European FinTechs raised $13.2bn in venture funding in H1 2022. This remains a very healthy figure, down modestly from the peak of $14.1bn in H2 2021 and just behind the $13.5bn of H1 2021. The figure is more than 2x the amounts raised in the sector in both H1 2019 ($5.9bn) or H1 2020 ($4.5bn).

Some greater sign of slowdown may be seen in the Q2 total which was $5.5bn after $7.7bn in Q1 2022. It was the lowest quarterly total since Q4 2020.

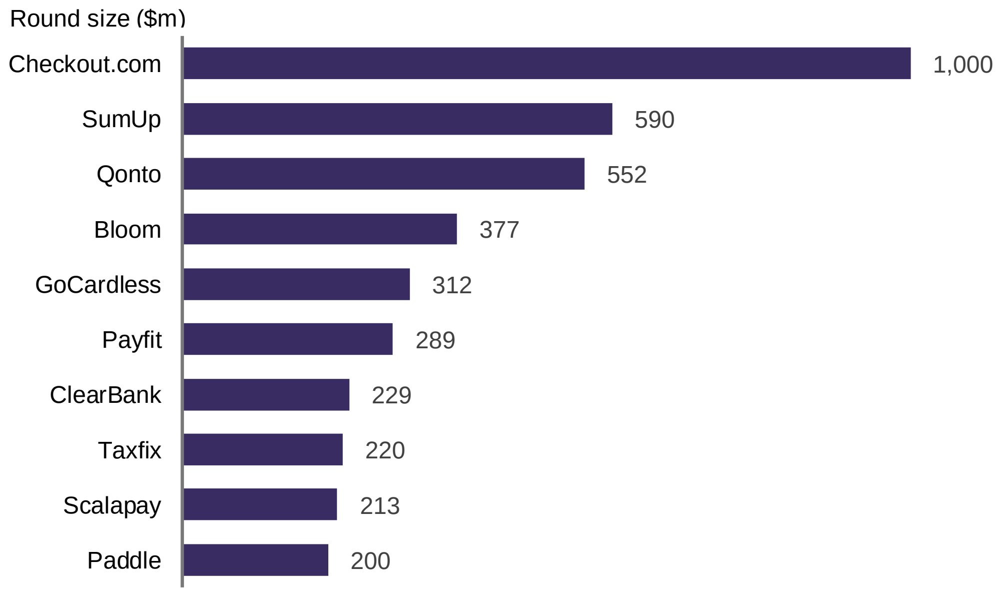
European Fintech VC investment



Source : Dealroom Note: Due to reporting lags the last 12 months are systematically under reporting on rounds especially small rounds.

Although valuations in funding rounds have been lower in some cases – the most notable example being the reset of the Klarna valuation in July – the scale of the raises remains substantial. In July thus far Klarna has raised $800m, wefox $400m , Zilch $160m and YuLife $120m. It demonstrates that capital is still available for strongly positioned companies.

Top 10 fintech fundraising rounds in Europe in H1 2022



Source: Sifted

We checked in with **Toby Ross, Managing Director who heads up Rothschild & Co's FinTech advisory franchise,** to gauge the current mood in the market.

Q. FinTech covers a broad expanse of disciplines and capabilities – how do you define it?

TR: *Everyone has their own definition of FinTech. For me this sector is about companies developing and harnessing innovative technology to provide financial services in a more user friendly, more efficient and more scalable way.*

Given the vast size of the global financial services sector and the constraints on the ability of the incumbents to innovate, successful FinTechs have the opportunity to deliver potentially multi-decade growth trajectories, underpinned by the power of operating leverage that a tech-led model offers.

I see FinTech as one of the few truly global sectors. A FinTech proposition that offers tangible benefits to its users, delivered with flexible and scalable technology, can have global relevance.

Q. What are some of the most exciting trends in FinTech at the moment?

TR: *Despite the tough market we are in, I see the pace of innovation, disruption and potential value creation stride on in FinTech and I remain a steadfast enthusiast for the space.*

Much of the focus in the "first generation" of FinTech has been, understandably, on the transformation of front-end delivery of financial services. The traditional providers became misaligned with the needs of their customers, particularly in a mobile-first age. FinTech stepped up to address this.

I believe the next generation of FinTech will see dramatic advances in using technology to improve the fundamentals of financial services. For example, the way in which insurance underwriting and coverage is determined, the use of data to make credit decisions and the time it takes for capital markets transactions to settle - technology can and will transform all of these things over the next decade. The deployment of artificial intelligence and sustainable blockchain technology will be key drivers of much of this.

While FinTech has developed at an astonishing rate in recent years, I feel that it is still just scratching the surface of what can be achieved –we are perhaps at "the end of the beginning".

Q. What about the adoption of FinTech by traditional banks?

TR: *The large incumbent banks continue to put huge efforts into re-engineering their legacy IT estates. It is still the case that many of them have pieced together their IT systems over decades, often through M&A. I have a lot of sympathy here - they are under the highest level of scrutiny with often a systemic role in the financial infrastructure that means that their IT migrations must be faultless. This is a tough construct in which their tech teams must operate. They have also made great advances with their digital front ends – you have got to give them credit – but there is lots more to be done. The challenge for them is that the best FinTechs are typically more agile and therefore able to keep a few steps ahead.*

I expect we will see more consolidation between incumbents and FinTech over the next 12-18 months. This hasn't always gone so well when attempted in the past, but the current market environment means the disconnect in valuations has narrowed and there will no doubt be casualties creating opportunity for the more forward-thinking incumbents.

"While FinTech has developed at an astonishing rate in recent years, it is still just scratching the surface of what can be done to transform financial services."

Toby Ross – MD Rothschild & Co FinTech

Q: It's been a period of some turmoil in private markets and FinTech has seen its share of that- what do you see as the mood in the industry amongst companies and investors at the moment?

TR: *It can no longer be assumed that FinTech companies can repeatedly raise the capital they need to fund their growth. If they can, the terms are more onerous and founders' flexibility to run their businesses is reducing. Times are tough. But let's not get depressed. The better companies will emerge stronger having proven their resilience. Discerning investors now have the opportunity to earn a return on their capital. Overall, I expect the sector to emerge stronger.*

If we take a step back, in FinTech we have hundreds of thousands of super smart people all across the world, striving to innovate in possibly the largest industry globally that touches virtually every human being's day-to-day life. That will always have a bright future!

Q. Crypto has been undergoing a particularly turbulent period – can you unpick what is going on there?

TR: *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. I'm afraid I can't unpick that for you (I'm not sure anyone can!).

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.

Q. What can Rothschild & Co offer FinTech companies?

TR: *The heritage of our firm is to offer thoughtful, independent and long-term advice through all market conditions. This is the unique philosophy we bring to the FinTech space. Our FinTech clients benefit from our firm's capabilities in growth capital, M&A, IPO advisory, capital structure and more, delivering optimal transaction outcomes today whilst also taking the decisions that best facilitate their strategic plans for the next 10 years and beyond.*

We find that our on-the-ground global presence with 1200 advisory bankers in 40 countries allows us to bring the local insights and connectivity that this global sector requires.

We look forward to continuing to grow with FinTech clients old and new.

Feedback from investors

We continue to monitor feedback from venture capital investors about the state of the market. As the market continues to adapt to the changed conditions of 2022 the core themes we are seeing are (i) Investors are still active (ii) There observe that there are attractive deal opportunities available but the volume has reduced. There appear to be more internal rounds going ahead. (iii) Valuation is clearly under pressure but there has not been a big increase in the number of visible down rounds. Some think that valuations will fall further in the next 12-24 months. (iv) for the first time we are seeing investors call out a slowdown in the business momentum of some of their portfolio companies. (v) Investors don't see an opportunity for planned capital markets exits in the next few months but do feel it likely that the level of M&A in the market will pick up.

Appetite

- *Still evaluating new deals*
- *Continue to invest: made 12 investments last year and aim for the same number this year; are ahead of schedule*
- *Still actively investing*
- *Funds are sitting on dry powder and don't want to sit on their hands*
- *Focused on our own portfolio and assessing who needs money and how and where*

Number of deals

- *Volumes have gone down – there are a lot of internal raises and bridge rounds which are not being announced*
- *Fewer deals in the market*
- *Still see healthy stream of opportunities but has gone down a bit*
- *Many internal rounds*
- *Slowdown in deal flow*
- *Have seen companies trying to raise, then come back as extension*

Valuation

- *See mostly flat rounds – extension of the rounds / not downrounds*
- *Think low multiples will remain for 12-24months*

- *Market looks like it is still finding its footing*
- *Valuations: Can't benchmark to last year.*
- *Downrounds – don't think like that, needs to be disconnected from last valuation*
- *Waiting to see what the next couple of months bring, because there will absolutely be more of a valuation reset*
- *Companies need to grow into the valuations that they raised in the last 12-18 months*

Performance of portfolio companies

- *This is the first month where they see a slowdown in growth / growth rates lower than expected*
- *Slowdown not so much on existing contracts but in new business sales*

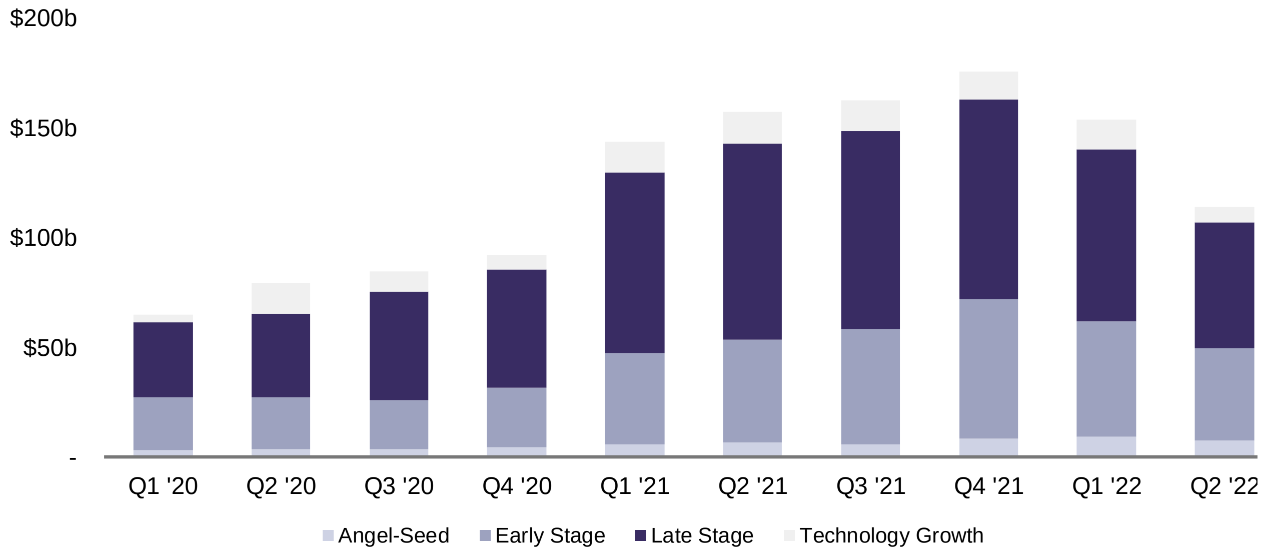
Strategy

- *Right time to build out the right companies and do M&A*
- *Unlikely any capital market exits in the next few months*

Trends in VC markets

Crunchbase data estimates global VC investment slowed in Q2 2022 to $120bn down 27% yoy from Q2 2021's $165bn. The Q1 2022 figure was $162bn. Q2's $120bn was the lowest quarterly amount invested since the start of 2021 but still exceeded the level of funding achieved in any quarter in 2020.

Global venture dollar volume through Q2 2022



Source: Crunchbase

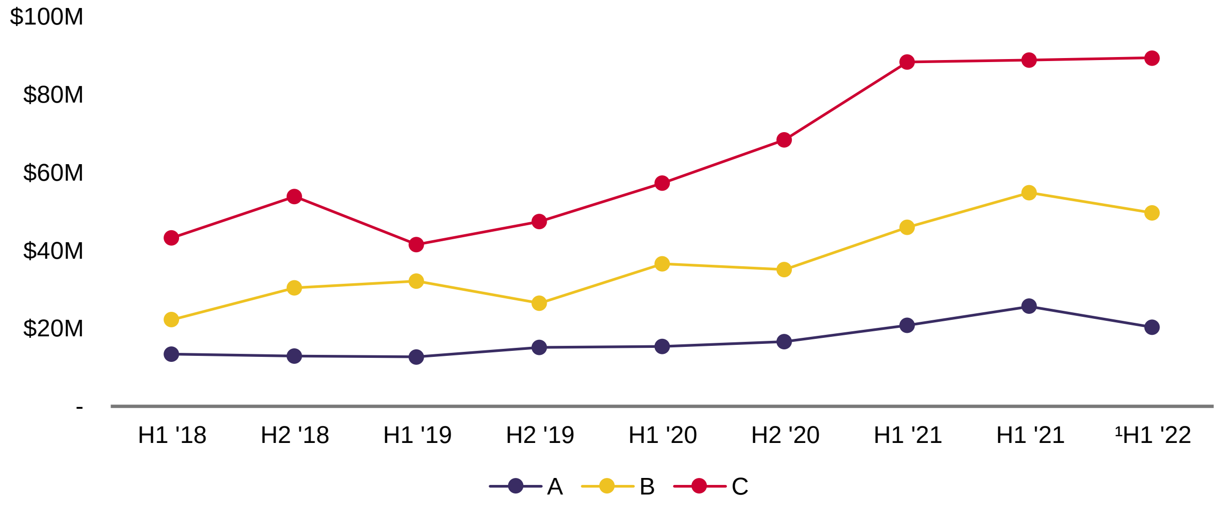
Late-stage investment was the most obviously impacted, down 38% yoy to $67bn. This likely reflects the knock-on impact of the virtual cessation of IPOs in current market conditions. By contrast, early stage investment was down just 9% yoy and seed investment actually grew 9% yoy.

Global new unicorn count on the Crunchbase Unicorn Company List was 103 in Q2 versus 134 in Q1 and 158 in the equivalent quarter.

What's happening to valuations in funding rounds? Again using CrunchBase data it appears that year on year valuations of US Series A-C VC rounds in H1 2022 were overall flat to up against the same period in 2021.

The average US Series A for H1 2022 was $20.4m on a par with H1 2021. Series B fundings stood at $50m, up 10% from H1 2021's $45.4m. The average in 2020 was $35.8 million. US Series C fundings were also on a par with H1 2021 levels.

US Series A to C Average by half-year



Source: Crunchbase-. Data as of June 23, 2022

Separately PitchBook-NVCA observes in its Q2 2022 report that deal counts stayed high across all stages, notably in seed rounds although deal value declined across all stages.

Pitchbook-NVCA notes that Q2 2022 was the first since the Q4 2020 to post less than $77bn in completed deal value, with $62bn closed.

As in the first quarter, the second quarter saw almost no traditional IPOs. The total number of public listings for the first six months of 2022 now totals 42, described by Pitchbook-NVCA as '*minuscule'.*

"This activity is most concerning for the billion-dollar exits, as public listings have been the main source of liquidity for that cohort of companies."

Where to put that dry powder? In our last edition we discussed the extent of dry powder at VC firms. We concluded that the $497bn of global 'dry powder' represents just under three years 'buffer' of funding assuming c$470bn of annual VC spend, c$200bn of fresh fund raising and $100bn pa of exits.

An interesting development on the uses of VC dry powder has emerged - VC companies buying listed shares. Citing filings and other sources, The Information reports that some high-profile VC companies (it cites Thrive Capital, Andreessen Horowitz, and GGV Capital) have started to buy shares in listed companies including Block, Carvana and HashiCorp.

GGV Capital managing director Glenn Solomon is quoted as saying *"VCs know a fair bit about the companies they've taken public recently. A lot of those companies' prospects are strong, yet valuations have been hit pretty hard."*

To that point Carvana shares are down 92% in the last 12 months, Block -72% and HashiCorp are down 60%.

It appears to make sense that VCs who have previously invested in companies that have floated should take advantage of sharply falling share prices to reinvest in assets that they already know well.

The article observes though that VC firms are also putting money into public listed companies where they have not previously had a record of investment. This suggests that the combination of very depressed valuations and substantial VC dry powder is attracting VCs to public companies as a complement to their investments in private companies.

The implications are four-fold

- For private companies it means that their valuations are in some cases, when seeking new capital, potentially directly in competition with public company valuations.
- Public companies are listed and liquid. It may be that VCs see these vehicles as a good opportunity to deploy funds at a time when the volume of private company deals, especially in well-funded, well positioned businesses, is slowing down.

- It implies that not all of the dry powder available in the market will go to traditional venture capital targets. Together with the number of internal rounds this suggest that the level of dry powder available for 'new' investment is perhaps less than it initially seems.
- Finally, it is generally a positive signal when investors who are expert in company fundamentals and industries start to buy stocks again. It is perhaps a positive straw in the wind for the direction of growth company valuations.

VC fundraising

Still strong – already at 87% of the total amount raised in 2021: Trends in fund raising by VCs themselves is an interesting potential driver of future investment activity in the VC market.

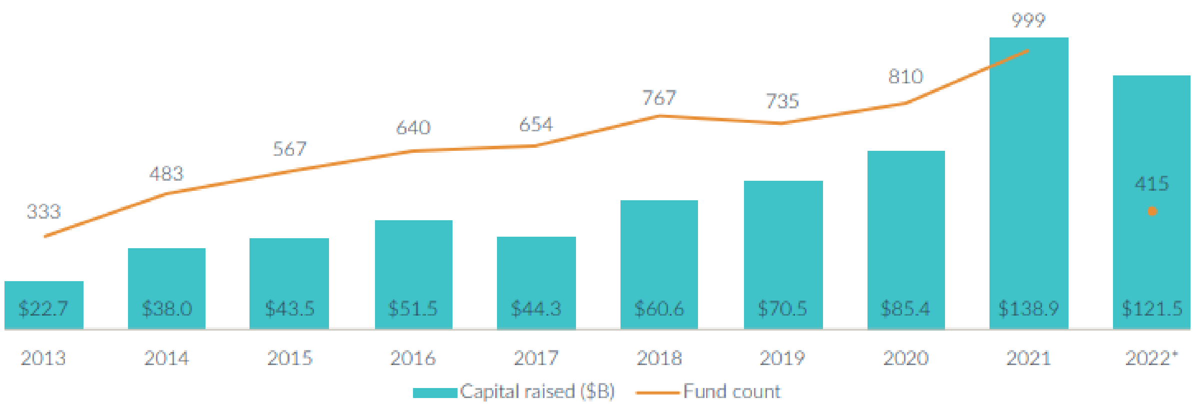
The news here is relatively encouraging. According to data from Pitchbook NVCA, which focuses on US data, VCs have raised $121.5bn in the first half of 2022. This exceeds by some distance the annual totals for 2019 ($70.5bn) and 2020 ($85.4bn) and is already at 87% of the annual level of 2021.

Pitchbook NVCA observes that some of this fundraising success is momentum from the heady conditions of 2021. It also points out that the fundraising has been concentrated in large $1bn+ firms. It implies that LPs favour large established funds over their emerging counterparts in this environment.

Looking to H2 one factor that may impact further LP appetite for VC funding is the issue of portfolio allocation. Sharp falls in public markets (valued in real time) versus the more slowly adjusting private market valuations may mean that LPs may run into portfolio allocation limits for their exposure to VC companies. July though has continued the H1 trend with Lightspeed announcing a $7.1bn raise across four funds at the start of July.

The continued strong funding environment combined with substantial dry powder implies a need for VCs to invest as the year goes on and is a positive backdrop for the space for H2 2022 and into 2023.

US VC fund raising activity – still strong in H1 2022



*Source: Pitchbook-NCVA Venture Monitor – *as at June 30 2022*

Trends in VC rounds

Greater diligence:

An interesting article from CNBC (https://www.cnbc.com/2022/07/07/startups-reckoning-with-an-end-to-cheap-capital-face-hard-decisions-.html) illustrating greater diligence in VC deals in the current environment. It's a trend that the VC investors we speak to have been mentioning in recent months. The article quotes Mike Volpi of Index Ventures

"The timeframe on which deals get done is a little longer now, which is healthy for both companies and VC firms. It gives us more opportunity to evaluate an idea, talk to people and do reference checks. For the company, it helps them figure out which VC they actually like."

And as seen by companies raising money: Cube CEO Christina Ross *"The diligence was a lot deeper, particularly on metrics that never would've come up before like margins "* Ross also reports that investors in her company's most recent round also asked about sales efficiency and net dollar retention, or how much existing customers are keeping and adding to their purchases. *"These weren't even questions that were asked last time around,"*

Raj Verma, CEO of SingleStore observed keen questioning by investors in the company's most recent round, closing in July relative to the previous raise in September 2021. He reports investors asking for the company's *"magic number."* This calculation factors in the growth of revenue relative to sales and marketing expenditures. Verma said investors wanted to know how long it takes for a sales representative to become productive, the ratio of account executives to sales engineers, and the number of salespeople who contributed to meeting a goal for annualized recurring revenue. Verma observed it's "the one *metric that people are bringing thousand watt bulbs to."*

> "The diligence was a lot deeper, particularly on metrics that never would've come up before like margins."
>
> Cube CEO Christina Ross

Structured deals: In current market conditions it appears that investors are firming up their downside protection techniques in the structuring of deals. Most VC rounds have a 1x liquidation preference offering VCs embedded downside protection. It appears that there is some shift towards a higher level of liquidation preference.

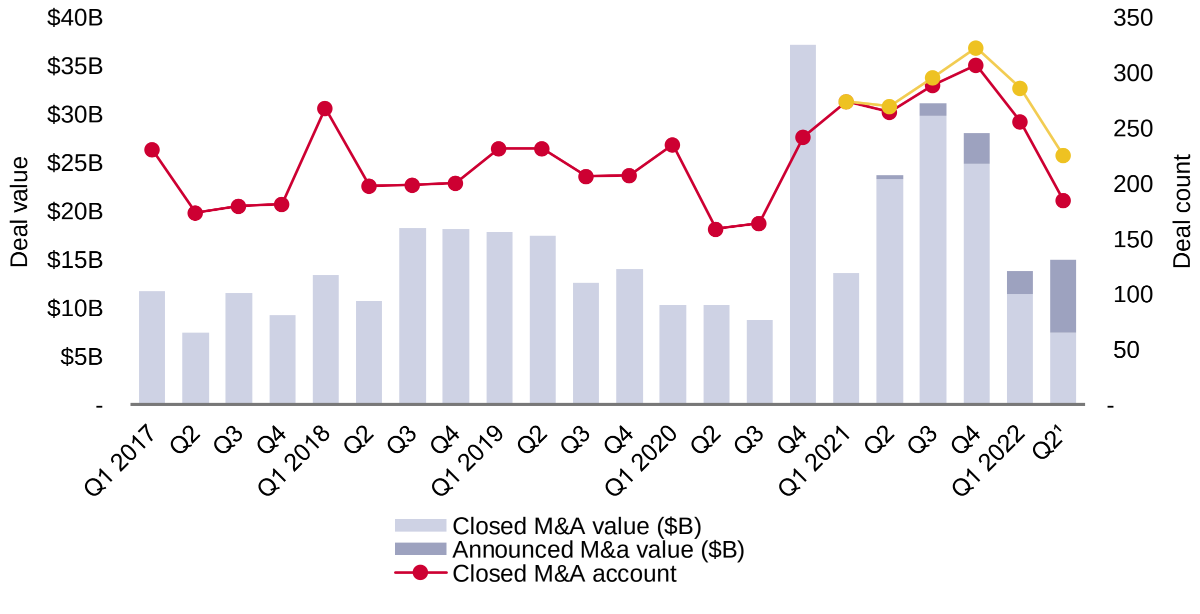
Larry Aschebrook, managing partner G Squared quoted on CNBC commenting on later stage deals says that his team is not investing in deals unless they have "downside protection."

"You might get a top-line number that is either flat or up depending on the underlying business, but there are some embedded protections. In the last few years, very few businesses had any structure in equity rounds given how accessible the capital markets were."

M&A: One consequence of falling valuations is the potential for a step up in M&A activity with both public companies and private equity potentially looking to take advantage of lower valuations at fast growth private businesses which have strategic potential.

The data from Pitchbook suggest that announced and closed M&A value was higher in Q2 than Q1 but that, as yet, the levels have not picked up significantly. This may be a question of timing with public groups still adapting to the opportunity represented by the sudden drop in public market valuations. In turn there may be some expectation that private market valuation expectations have further yet to fall.

Acquisitions of US VC-backed companies



Source : PitchBook data -. As of June 24, 2022

Efficiency of growth: This feature of investor interest relates to efficiency in the use of capital and to the burn rate of start-ups. Here's David Sacks of Craft Ventures on the subject.

'As the economic crisis deepens, capital efficiency becomes a more pressing issue for start-ups. Not only is it necessary to maximize runway, it also plays a larger role in how investors evaluate companies. While growth is always prized during good times or bad, investors increasingly scrutinize burn and margins during downturns. Start-ups whose burn is too high relative to their growth will find it hard to fundraise. Founders should be prepared for this shift in emphasis.

David Sacks favours the 'burn multiple', a ratio designed to identify how much a start-up is burning in order to generate each incremental dollar of ARR. The formula is ' Burn Multiple = net burn / net new ARR.'

The concept is that the higher the burn multiple, the more the start-up is burning to achieve each unit of growth. The lower the multiple, the more efficient the growth is. The suggestion is that growth achieved at a 3x or more burn multiple is potentially indicative of an issue with the business. A higher burn multiple may be expected in the early stages of a start-up's life but directionally should reduce *as the business matures.*

'Thus, a seed stage company might have a Burn Multiple of 3 because it just started selling. After the Series A, it might drop to 2. After the Series B, when the sales team should be operating at scale, the expectations for efficiency increase even more. Eventually, for a company to become profitable, burn must reach zero, which implies that the Burn Multiple should also approach zero over time.'

The concept is that observing this guideline (i) encourages founders to keep outgoings low in the early days (ii) as the multiple is instantly responsive, it encourages founders to cut costs immediately to benefit the multiple (iii) the indicator gives founders a clear idea of what level of burn is appropriate for a given level of growth.

Burn Multiple	Efficiency
Under 1x	Amazing
1 – 1.5x	Great
1.5 – 2x	Good
2 – 3x	Suspect
Over 3x	Bad

Source: https://sacks.substack.com/p/the-burn-multiple-51a7e43cb200

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. NASDAQ , weighted towards growth and tech, has rallied in early July but is still down 27% ytd. The more broadly based S&P 500 is down 19% ytd. The Refinitiv Venture Capital Index, which seeks to monitor the real time performance of the venture capital industry is down 53% ytd. Markets have rallied in early July although a tricky earnings season is now underway. August as ever is likely to be a quiet month meaning that September will be the real test of the market's underlying direction.

Our summary of the outlook is;

- The changing interest rate, inflation and macro-economic environment has had a sharp impact on both the public markets and the private markets. Arguably the less liquid and more periodic valuation of private markets has shielded them from some of the falls. Nevertheless, the ostensible fall in the Refinitiv VC index is more dramatic even than the fall on NASDAQ and this has been evidenced in some big valuation falls on some high-profile VC rounds.
- There is still substantial dry powder in the VC industry at close to $500bn.This may now be deployed more to supporting existing investments rather than new investments.
- Best-in-class companies, addressing critical rather than nice-to-have requirements, continue to attract support and this is likely to remain the case.
- 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 number of these.

- The speed of the investment process appears to have slowed down considerably. The volume of new deals appears to have reduced.
- Funding velocity for the VCs themselves remains strong and this is a positive indicator for H2 2022 and into 2023.
- Valuation criteria are seeing a different emphasis with revenue multiples supplemented by a more traditional mosaic of valuation incorporating DCF and comparative public multiples. There is a much sharper focus on the path to profitability and positive free cash flow.
- There are still hotspots for investment notably in fintech and software. Certain investors remain very active in the space with substantial funds to deploy.

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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