



2022 Year in Review

January 2023

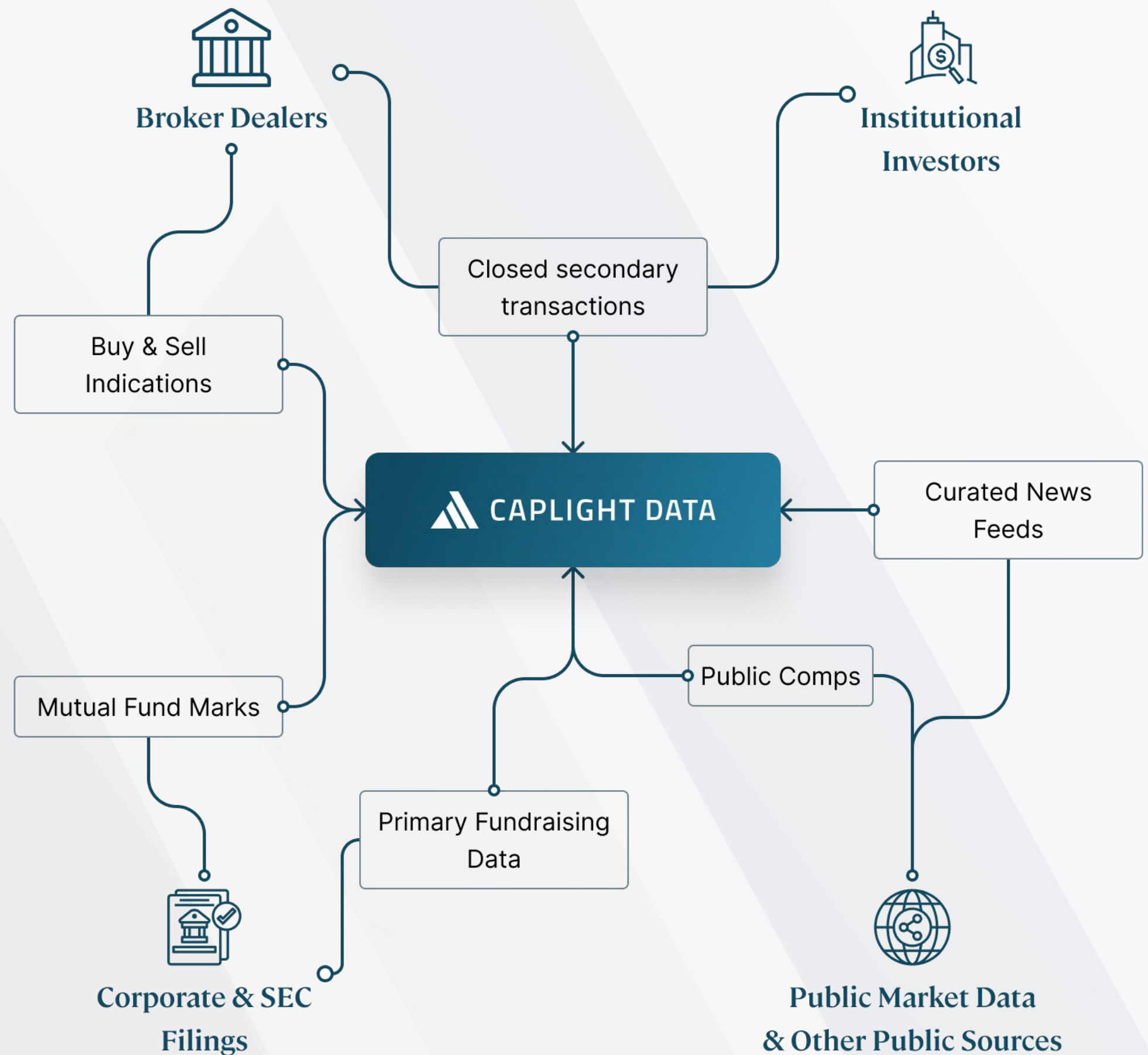
Caplight Data

Centralized pricing for the private markets

Caplight has partnered with 35+ of the most active broker-dealers and institutional investors in the private markets to build a robust, transparent dataset of secondary pricing information.

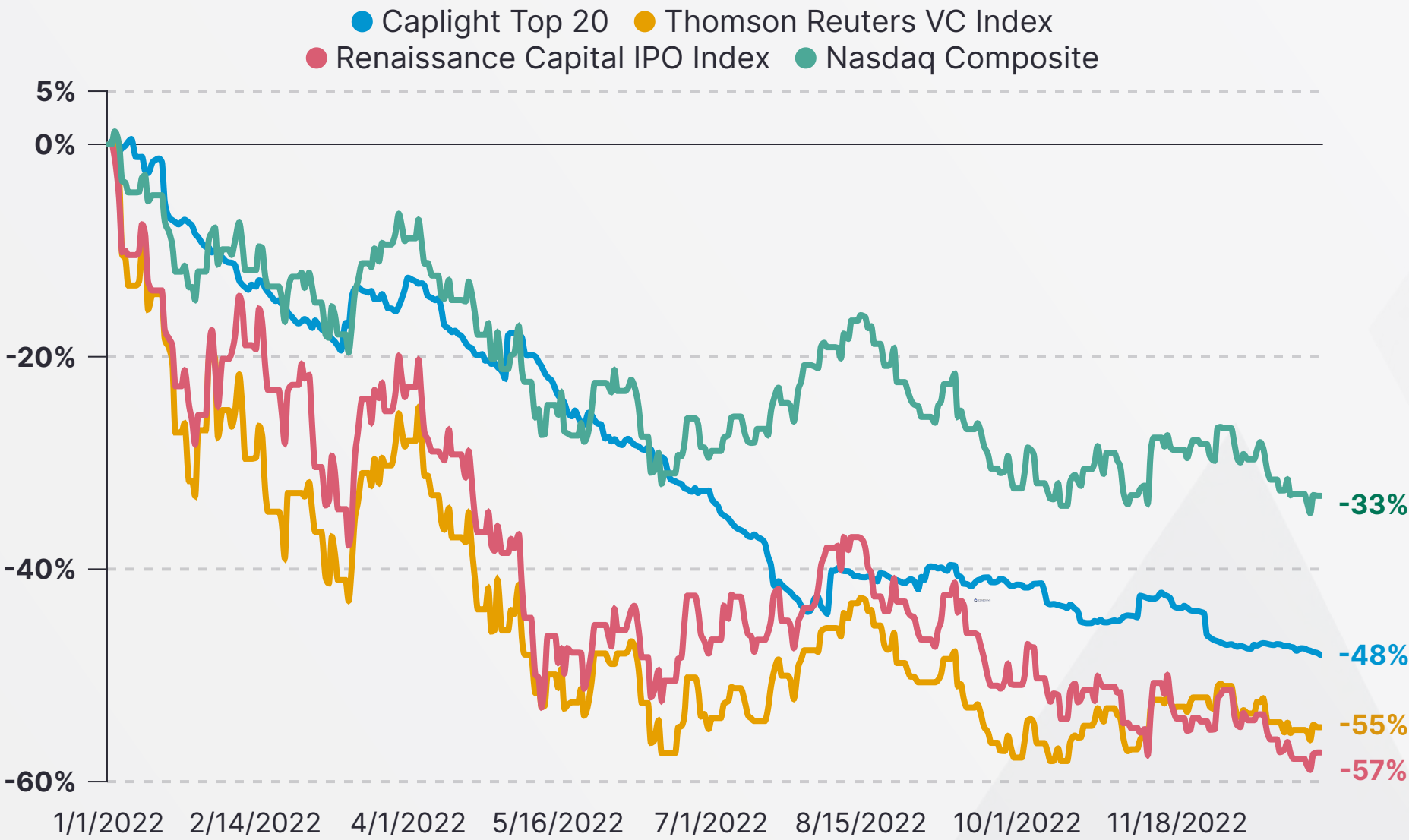
Data captured as of December 31, 2022:

- \$170B+ closed secondary & indicative order data
- 10,000+ secondary transaction & order data points
- 20,000+ public fund marks
- 370+ private companies covered



Caplight Top 20 & Top Gainers + Losers

Price Performance in 2022



Relative Performance vs. Market in 2022

Gainers	SPACEX	ByteDance	gupshup	ARCTIC WOLF	ANDURIL
Absolute Performance	+22%	-26%	-26%	-32%	-37%
Relative to Caplight Top 20	+70%	+22%	+22%	+16%	+11%

Losers	stripe	Bolt	kraken	OpenSea	Klarna.
Absolute Performance	-68%	-75%	-77%	-78%	-84%
Relative to Caplight Top 20	-20%	-27%	-29%	-30%	-36%

The **Caplight Top 20** declined 48% in 2022, relatively outperforming both the Thomson Reuters Venture Capital Index and the Renaissance Capital IPO Index, while underperforming the Nasdaq Composite. Outperforming sectors include aerospace & defense and enterprise software, while underperformers include web3 and fintech.

Note: The Caplight Top 20 Index is a financial index tracking the performance of the largest late-stage, venture capital-backed, private companies with active secondary markets. The index is valuation-weighted with capped exposure. Please contact us to learn more about the index construction and methodology. Logos provided by Clearbit.

Mutual Fund Mark Valuations

Private secondary market prices have been more volatile than mutual fund marks over the last 4 quarters.

- In bull markets, private secondary markets overshoot last funding rounds as mutual funds mark holdings consistent to last funding round.

(+8% / 0% in Q4 2021)

- In bear markets, private secondary market prices head lower than mutual fund marks because mutual funds were consistently marked conservatively.

(-42% / - 25% in Q3 2022)

Select Mutual Funds Included on Caplight Data

ALGER



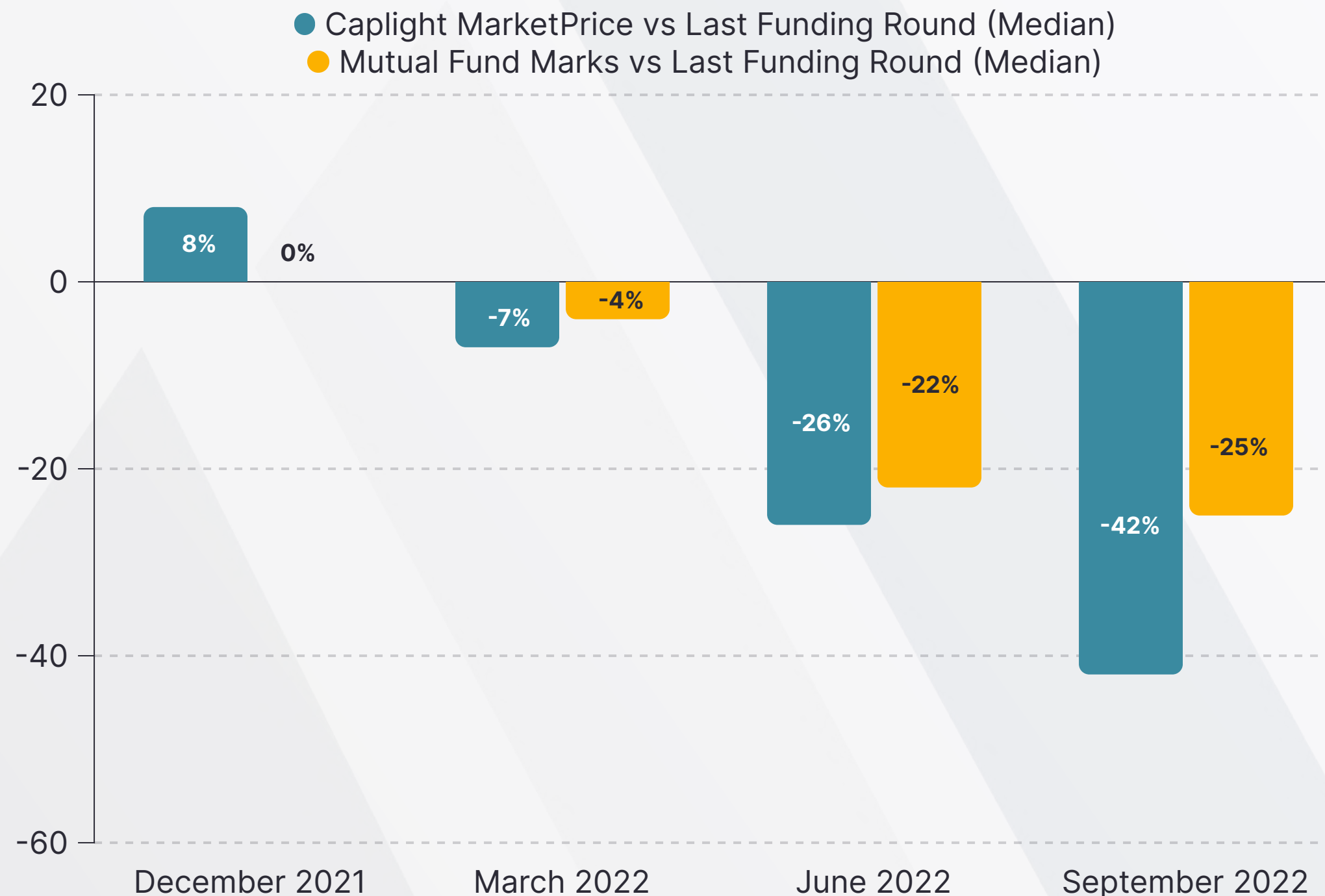
BLACKROCK



NEUBERGER BERMAN

T.RowePrice

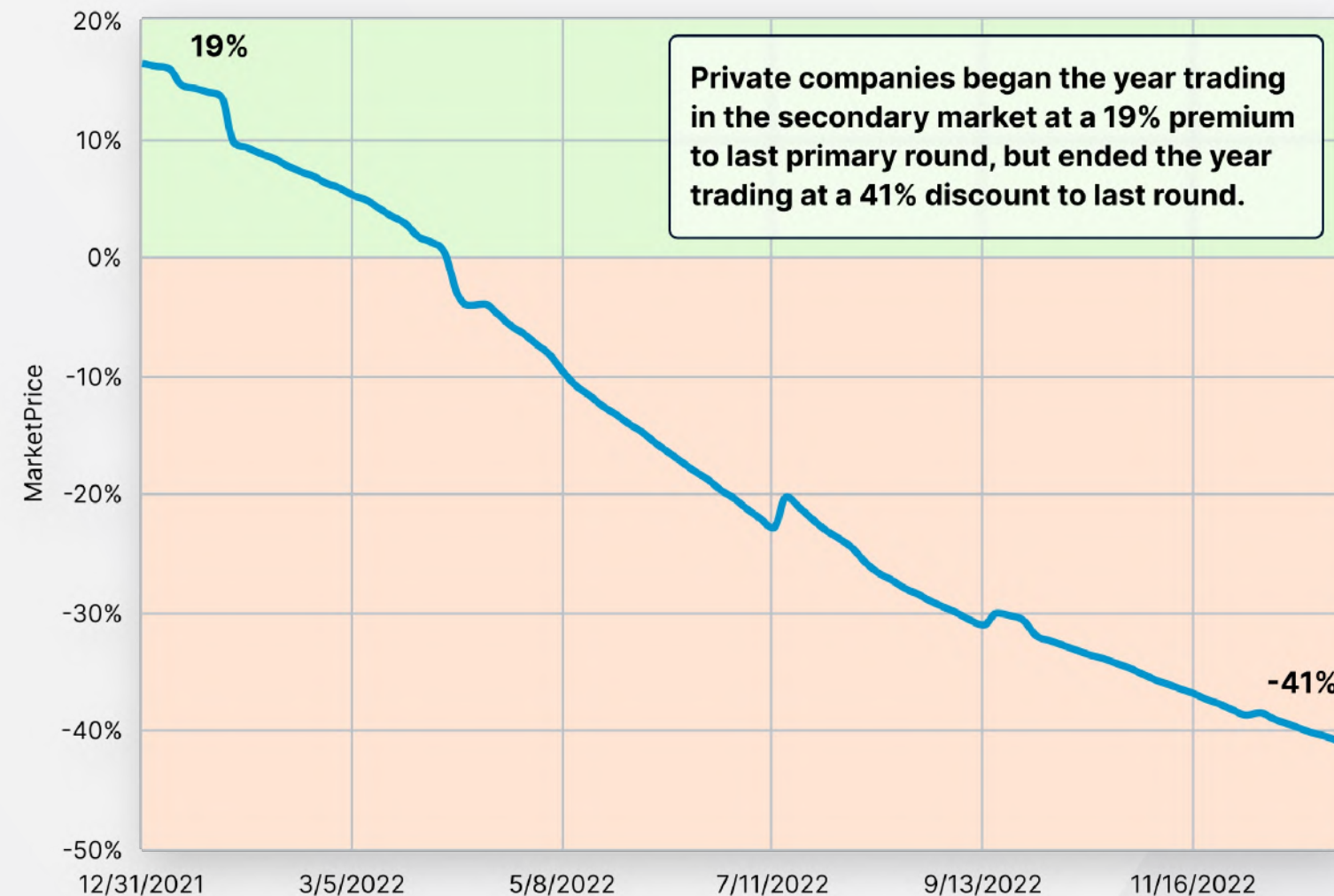
Secondary Market Prices vs. Mutual Fund Marks at Quarter End



Note: Includes the most active private secondary market companies with disclosed last primary round valuations and held by mutual funds (n = 27). Price performance based on Caplight MarketPrice. Q4 2022 mutual fund mark data not currently available. Logos provided by Clearbit.

Private Market Valuations Decline

Unicorn Secondary Market Prices Relative to Last Primary Round ⁽¹⁾



2023: Year of the Down Round?

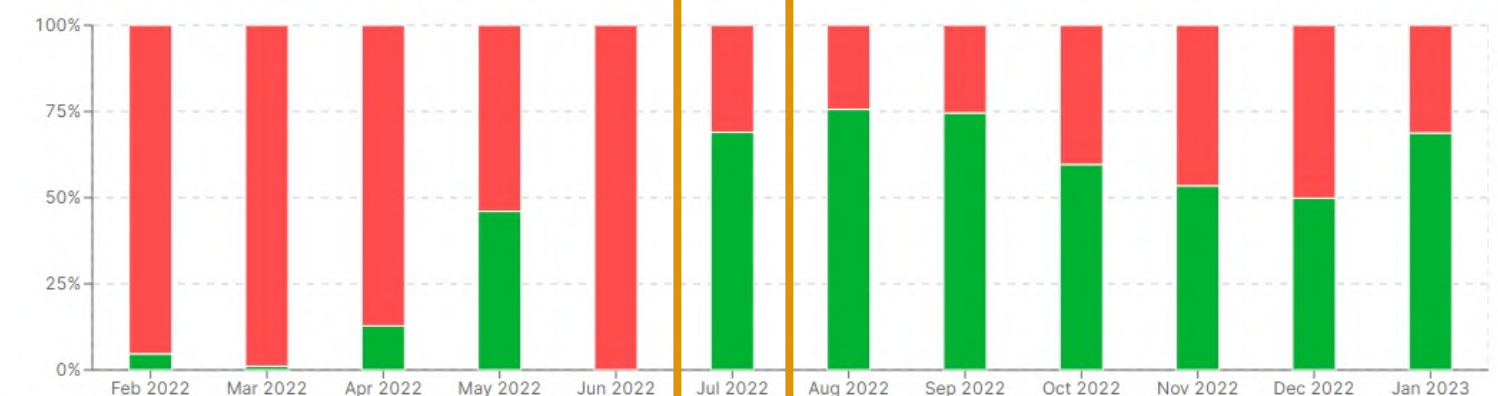
- Only 23% of private Unicorns were able to secure primary funding in 2022, while the remaining 77% wait for more favorable market conditions. ⁽²⁾
- With current valuations trading at a -41% discount to last primary funding round, down rounds are expected in 2023.

Klarna's \$6.7B Down Round in July 2022

- Klarna's Series H at an 85% discount to prior round served as a valuation reset that coincided with the resurgence of bids in the secondary market. This trend may gain prevalence in 2023.

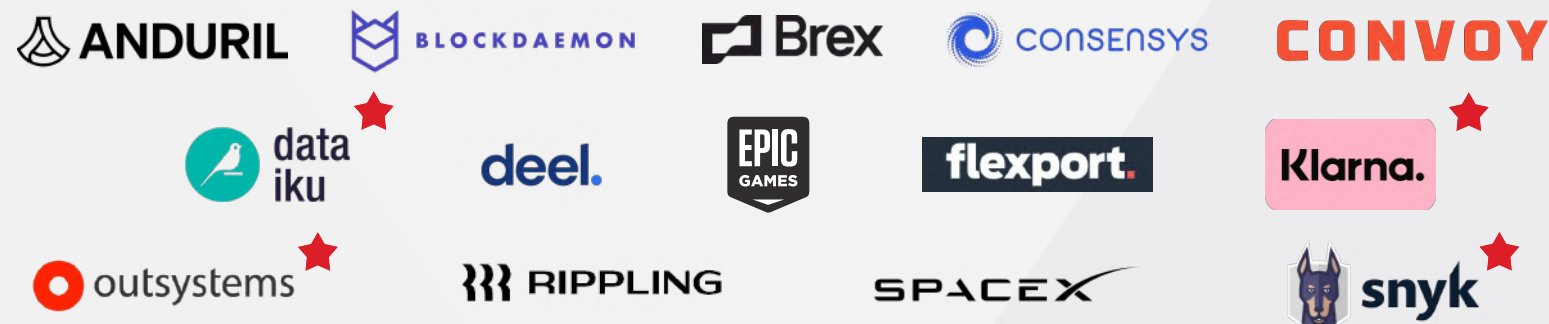
Klarna.

Bid-Ask Volume Ratio



Notable Unicorn Primary Rounds in 2022

★ Denotes down round

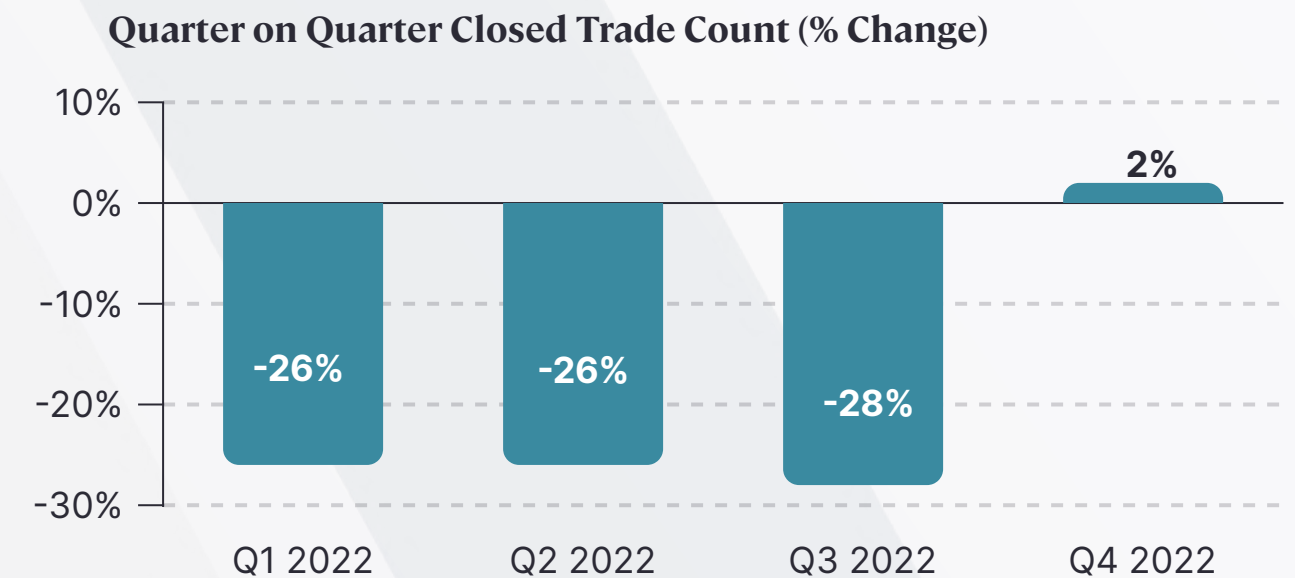


(1) Includes most active secondary market companies with a private round since 2021. Primary rounds before 2021 are excluded from the analysis. Price performance based on Caplight MarketPrice.

(2) Based on primary funding rounds listed on Pitchbook Data. Logos provided by Clearbit.



















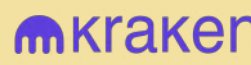

Private Market Secondary Trade Volume in 2022

Closed secondary trading volume declined throughout 2022 as valuations tumbled, but the **number of closed trades** increased in Q4 2022 for the first time since 2021. The largest, most liquid companies continue to represent the largest share of trading volume across the market.



Top 5 Most Actively Traded Companies by Quarter

Volume = \$0M - \$250M

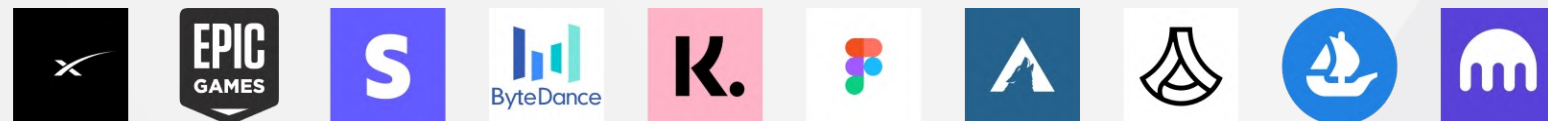
Price Range			Price Range			Price Range			Price Range		
Q1	High	Low	Q2	High	Low	Q3	High	Low	Q4	High	Low
 stripe	93.0	65.3	 animoca BRANDS	3.3	3.3	 SPACE X	76.0	70.5	 Airtable	105.0	72.0
 EPIC GAMES	1,474.0	1,300.0	 EPIC GAMES	1,515.2	750.0	 rubrik	37.0	32.0	 ADDEPAR	2.3	2.2
 pipe	89.0	88.0	 SPACE X	87.8	58.0	 BITFURY	351.0	351.0	 SPACE X	78.2	74.7
 upgrade	5.6	5.0	 ripple	28.0	23.0	 Airtable	112.0	112.0	 flexport.	13.0	10.5
 kraken	63.0	56.0	 AXIOM SPACE	112.5	112.5	 kraken	61.2	19.0	 polysign	2.1	1.6

Indicative Order Volume in 2022

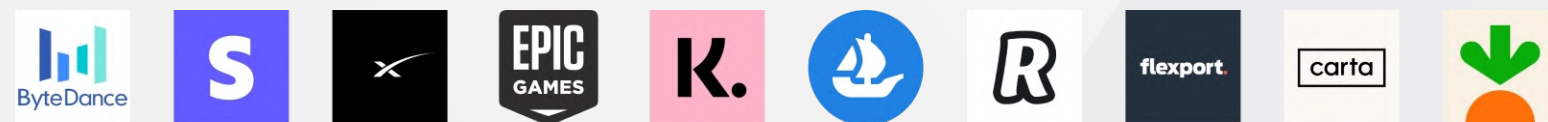
Oversold Orderbook Drove Valuations Down

- Risk-off sentiment permeated private market orderbooks on Caplight Data in 2022 with sell interest meaningfully outweighing buy interest each quarter.
- There was a large uptick in bids beginning in Q3 2022 after valuations corrected.

Top Companies by Buy Order Volume in 2022

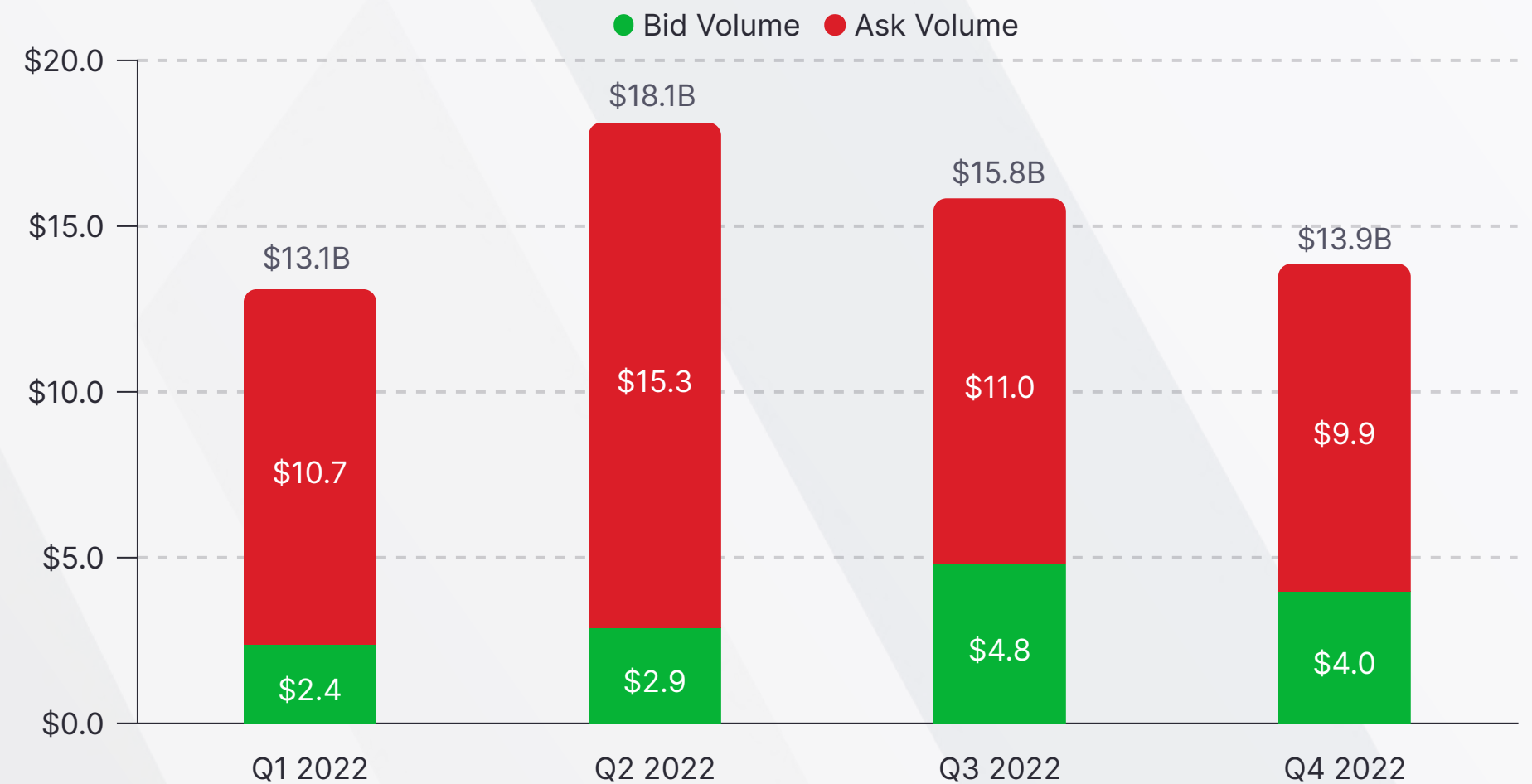


Top Companies by Sell Order Volume in 2022



Note: Logos provided by ClearBit.

Private Secondary Market Order Volume by Quarter (\$B)



	Q1	Q2	Q3	Q4
Bid / Ask Ratio	18%	16%	30%	29%

Note: Below 50% indicates mostly sell orders.

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Appendix

January 2023

Caplight MarketPrice

Caplight's MarketPrice is a daily evaluated pricing tool for private company stock

METHODOLOGY

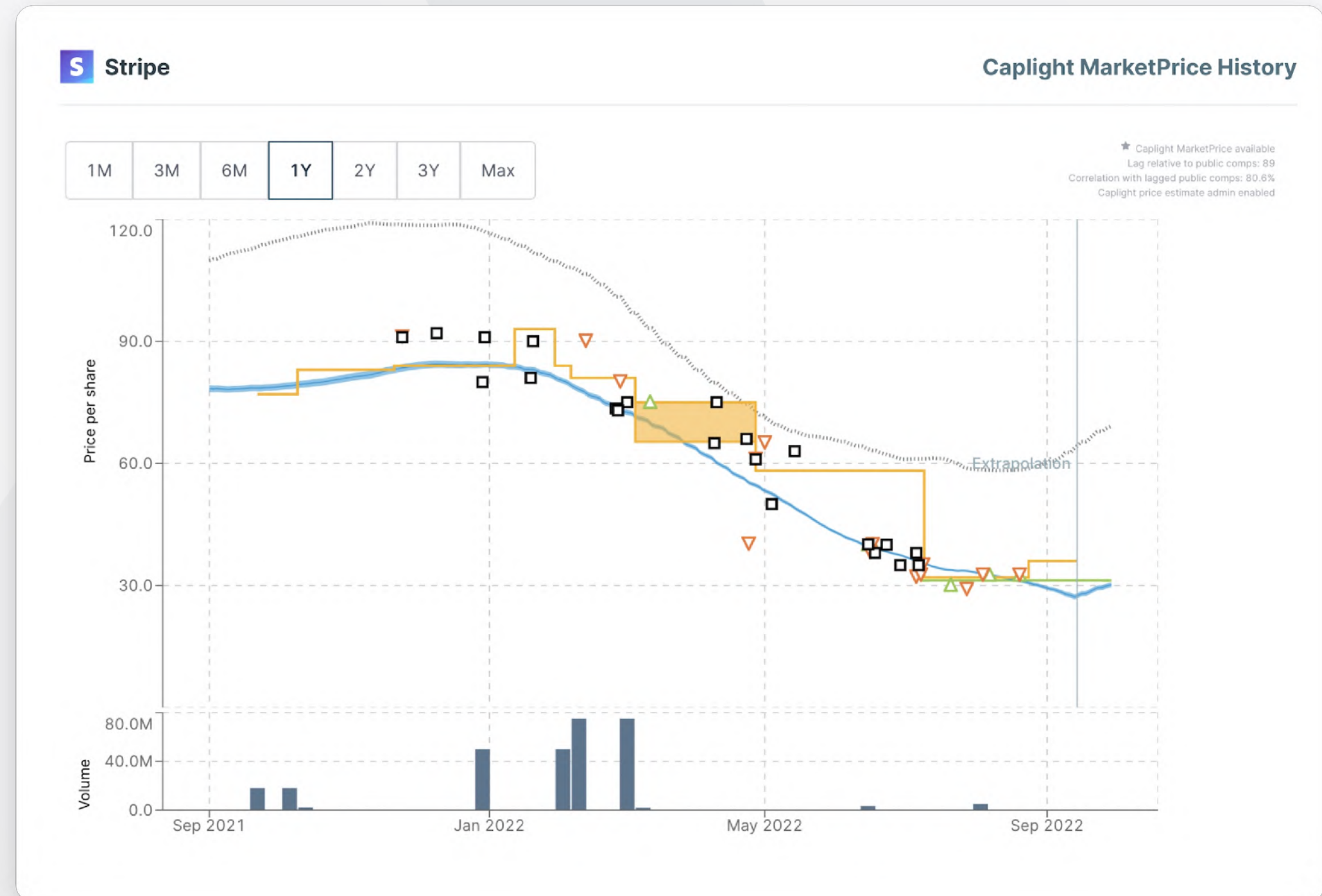
MarketPrice tracks private company valuations using completed secondary transactions, indicative broker bid & offer data, public comparables, 409A valuations, mutual fund marks, and more.

Completed secondary transactions are the highest weighted input. When this data is unavailable, the algorithm looks to the other sources.

ACCURACY

When backtesting against a sample of over 200 completed secondary transactions, MarketPrice fell within 80%+ range of where a subsequent completed secondary transaction closed.

Note: Full analysis of Caplight MarketPrice available upon request.



Thank you for your support!

