CAPLIGHT

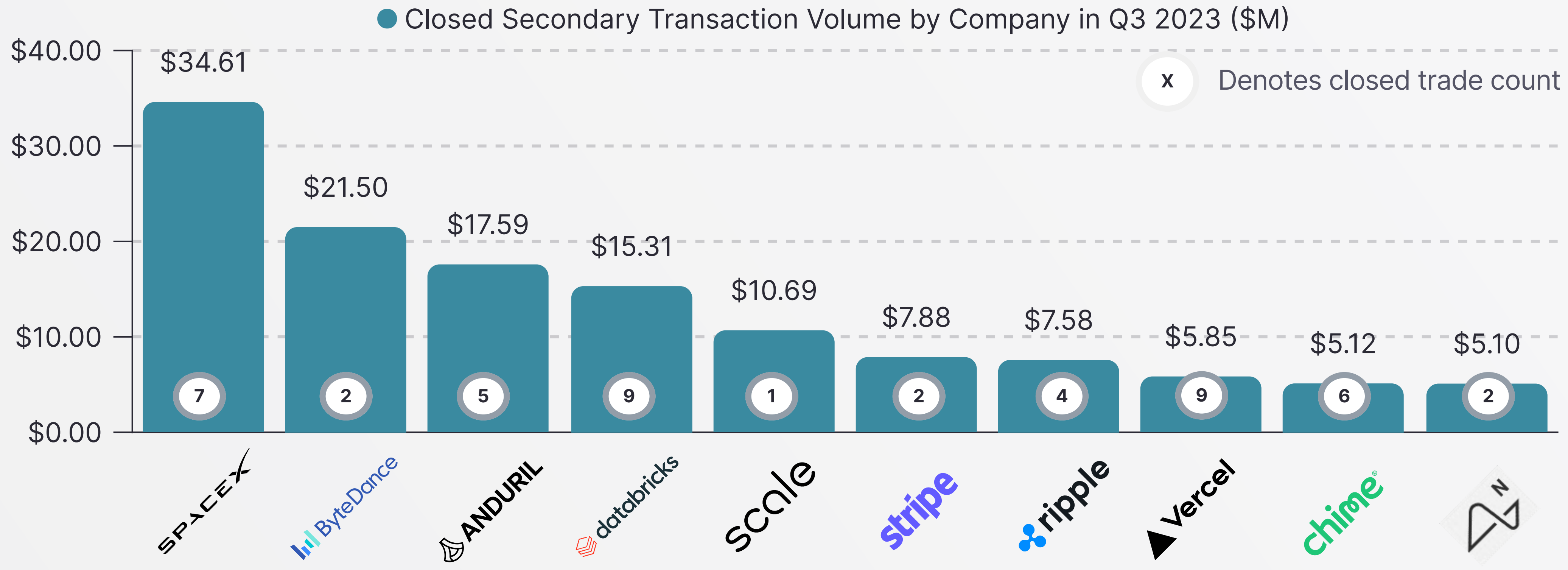
# Pre-IPO Secondary Market Update

Q3 2023

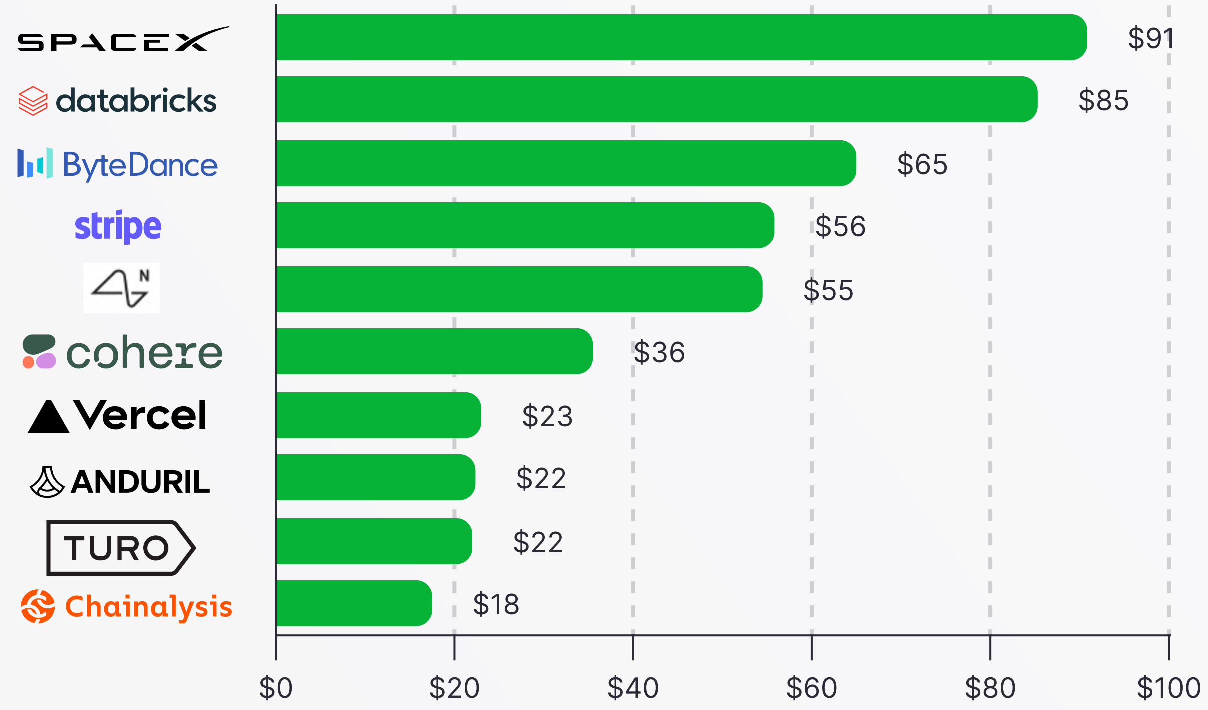
# The secondary market continues to focus on stalwarts

## Investors are primarily looking at companies in Data & AI + Fintech and the next class of IPOs

### Robust two-way markets exist in secondary stalwarts like SpaceX, Anduril, Databricks




### Most Bid Companies by Volume in Q3 2023 ($M)




### Companies with Largest Price Appreciation & Depreciation in Q3 2023

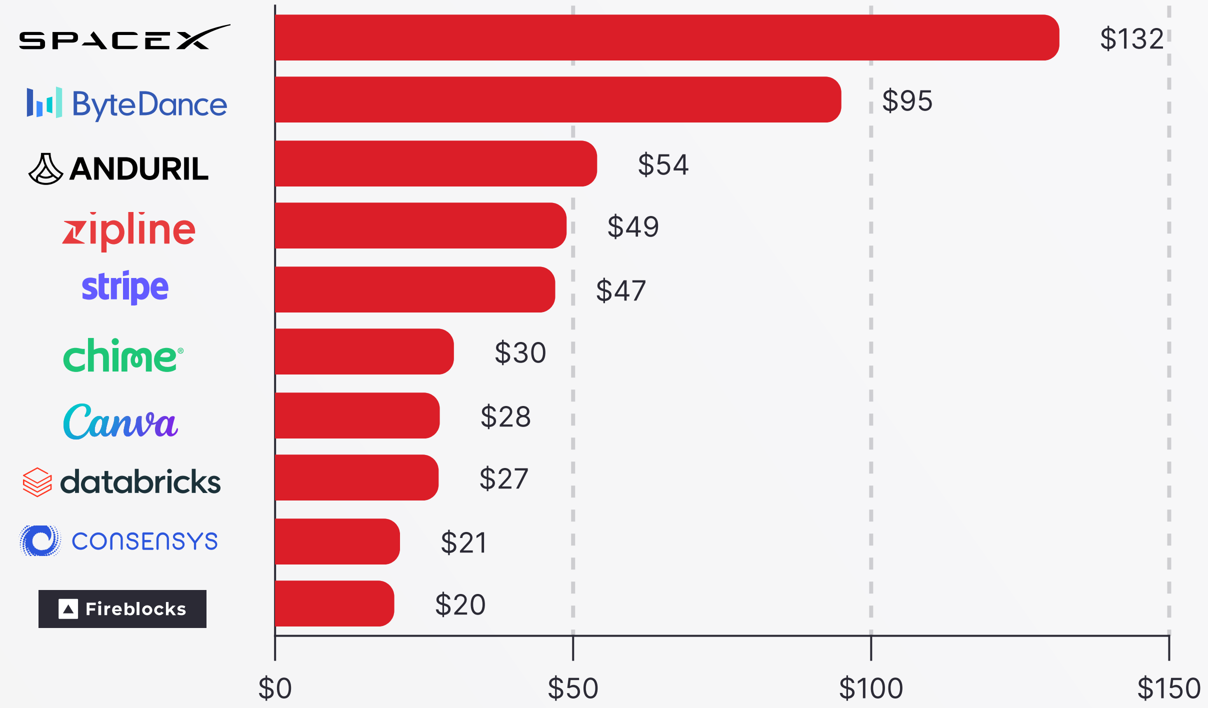
**Top Gainers**

| | |
|---|---|
| ANTHROPIC | 51% |
| databricks | 15% |
| PLAID | 43% |
| rubrik | 27% |
| scale | 36% |
| stripe | 24% |
| snyk | 21% |

**Top Decliners**

| | |
|---|---|
| Automation Anywhere | -17% |
| docker | -17% |
| flexport. | -15% |
| NOOM | -23% |
| Outreach | -17% |
| ripple | -11% |
| THRASIO | -24% |

### Most Offered Companies by Volume in Q3 2023 ($M)

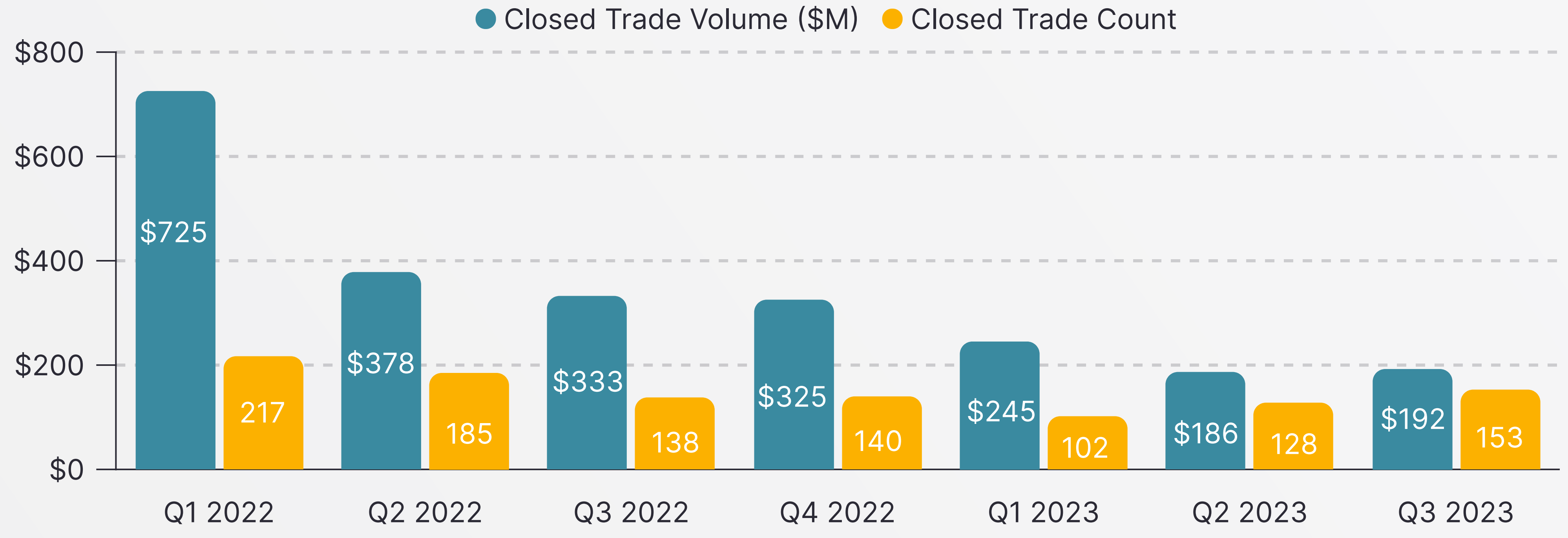



**Note:** Sourced from Caplight Data. Includes user-submitted indicative order data only.

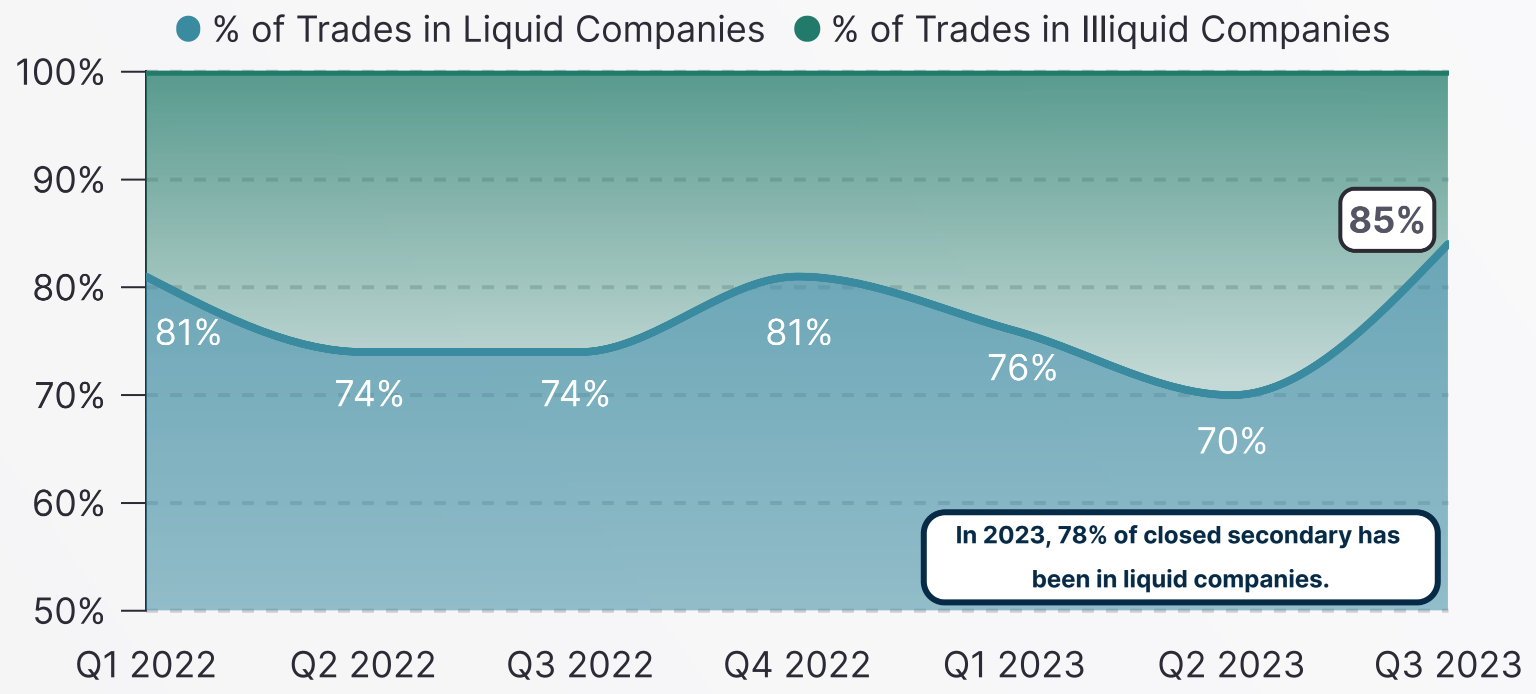
# More closed trades in Q3 than Q2, but smaller bite sizes

## Total closed trade volume rose minimally quarter-over-quarter, but significantly more trades were closed in Q3

### Quarterly Closed Trade *Count* Continues to Increase Considerably while *Volume* Rises Slightly



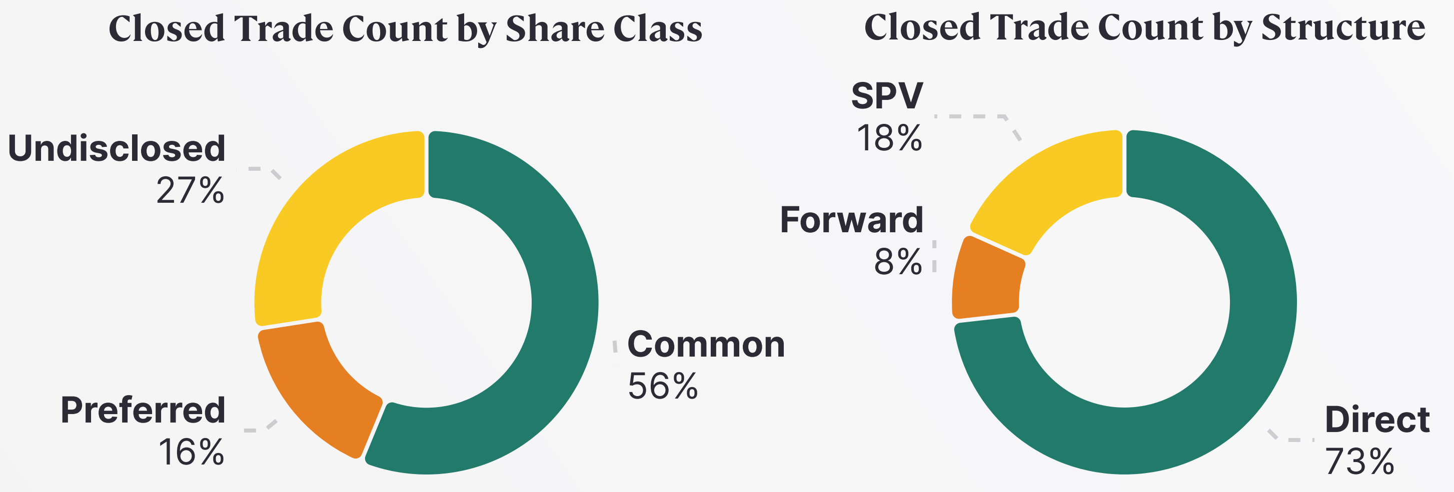

### Buyers are Primarily Purchasing the Most Popular Pre-IPO Names




Liquid issuers defined as issuers with 2 or more secondary transactions per quarter.

### Average Closed Trade Deal Size ($M) Continues to Fall as Investors take Smaller Bites

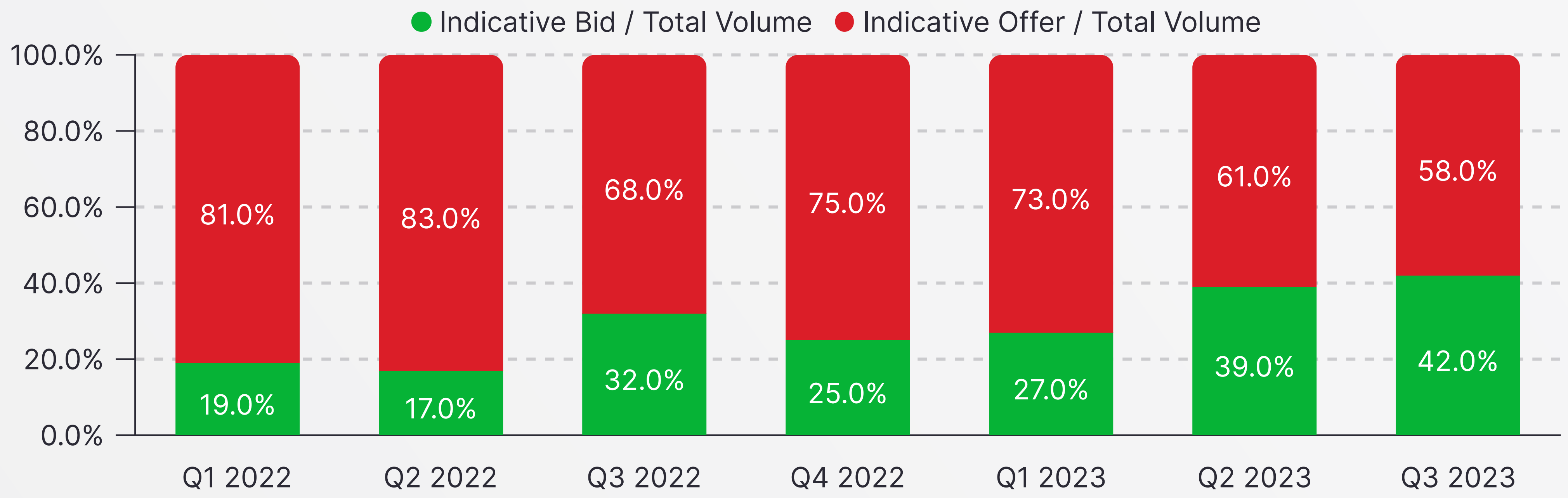

### Majority of Secondary Trades have been Direct Transfers of Common Stock



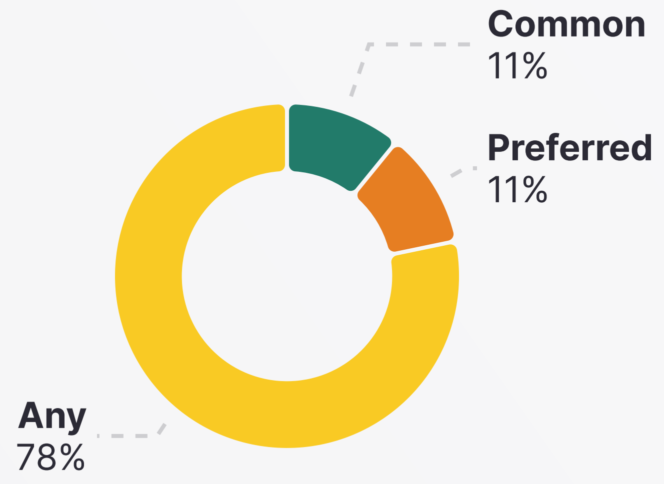

**Note:** Sourced from Caplight Data. Undisclosed share class includes contributors who cannot provide for confidentiality reasons.

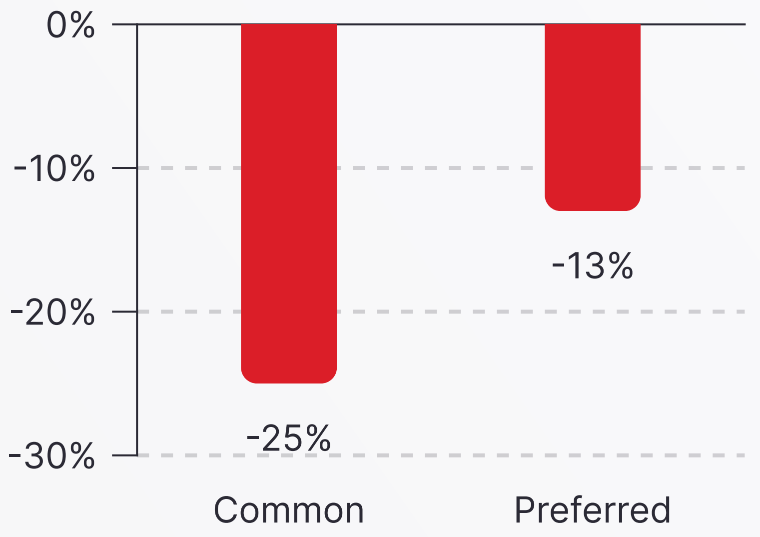
# Hopeful buyers continue to bid, but bid sizes are falling

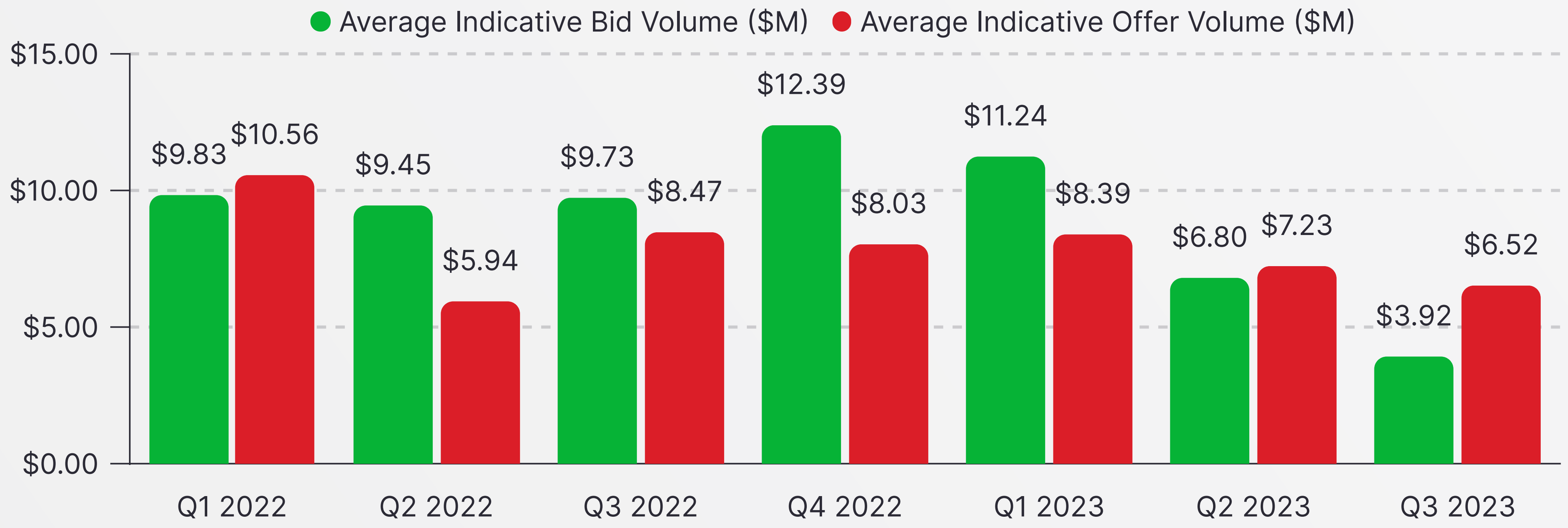
## Bid-to-total volume ratio is the closest to 50/50 parity since 2021 as buyers return to the market




### Buyers are Mostly Share Class Agnostic yet Bidding Higher for Pref Shares




### Investors Continue to Bid 2023's Hottest Sectors in Q3

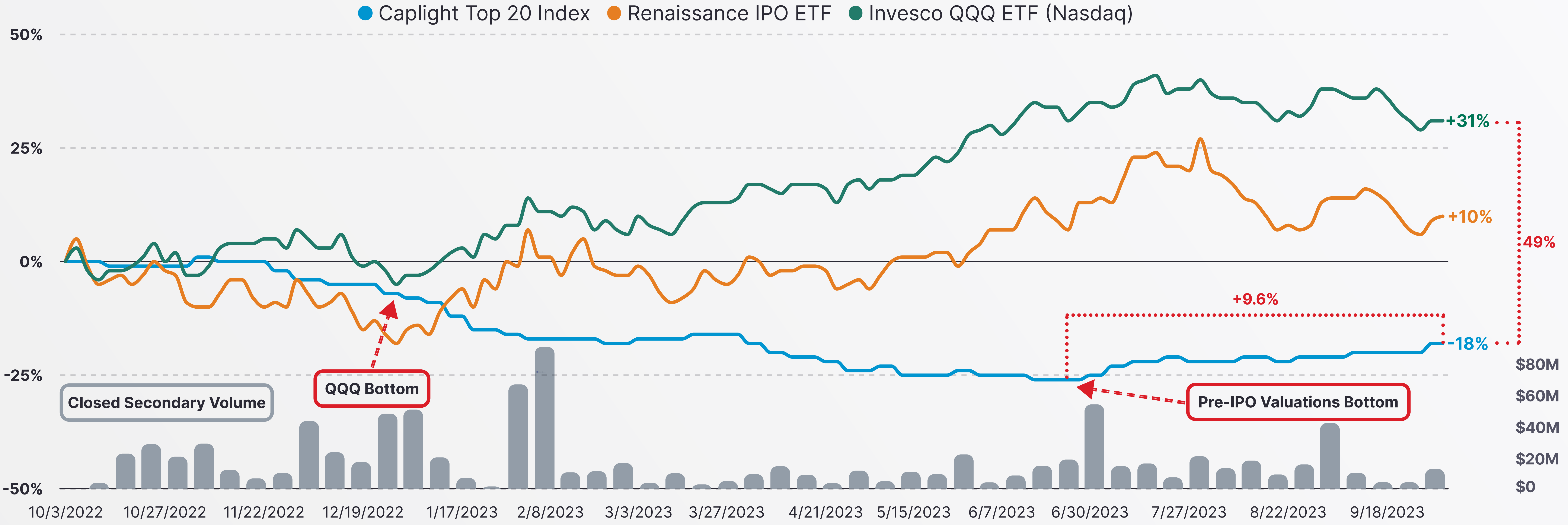
*Indicative Order Data by Sector in Q3*

| Sector | Fintech | Aerospace & Defense | Data & AI | Social | HR & Staffing | DevOps |
|---|---|---|---|---|---|---|
| Companies in Sector | 7 | 3 | 16 | 5 | 3 | 7 |
| Bid Volume | $612M | $595M | $425M | $417M | $127M | $105M |
| Bid / Total Volume Ratio | 50% | 46% | 47% | 43% | 63% | 87% |

**Note:** Sourced from Caplight Data.

# Pre-IPO price performance lags the public market

- Pre-IPO valuations bottomed out in June 2023, lagging the Nasdaq by about 6 months.
- Private company stock prices have trailed public comps by about 50% over the past 12 months.
- Trading volume has picked up since June, with investors looking to take advantage of discounted secondary opportunities. The increasingly bid market has driven the Caplight Top 20 Index up nearly 10% since June 2023.




**Note:** Sourced from Caplight Data. 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. Please contact us to learn more about the index construction and methodology.

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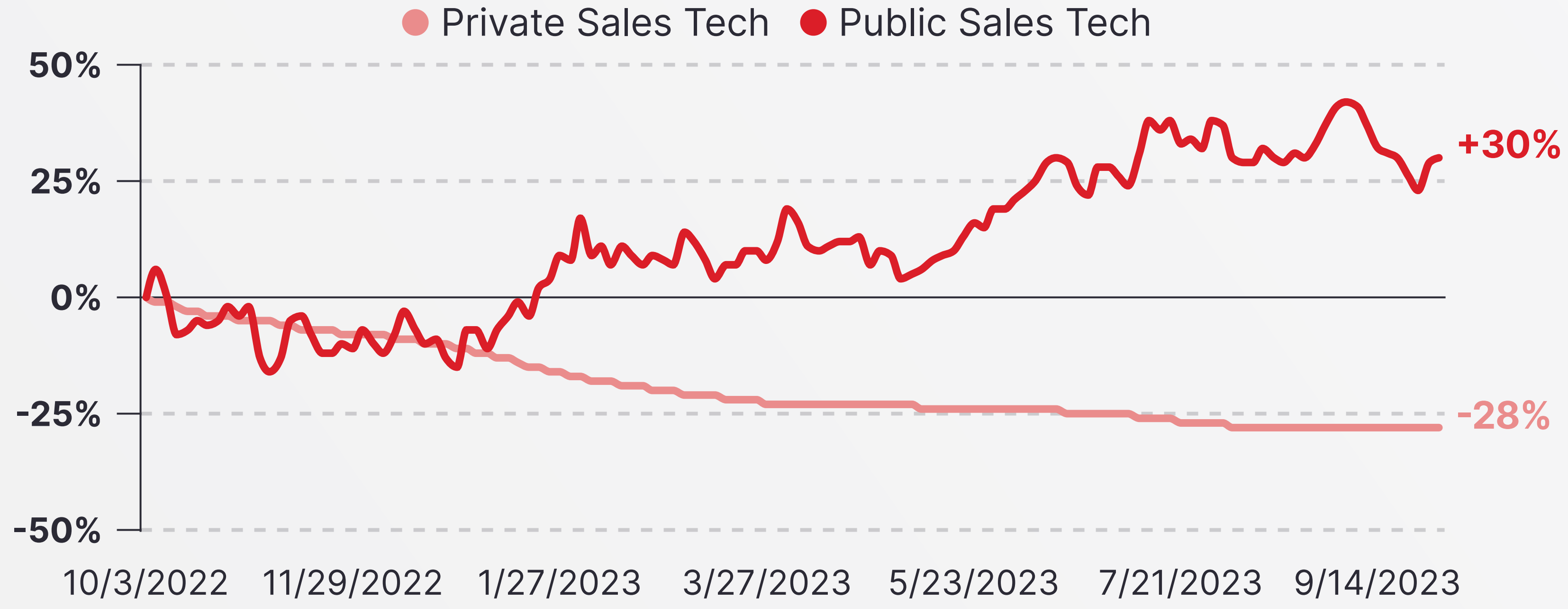
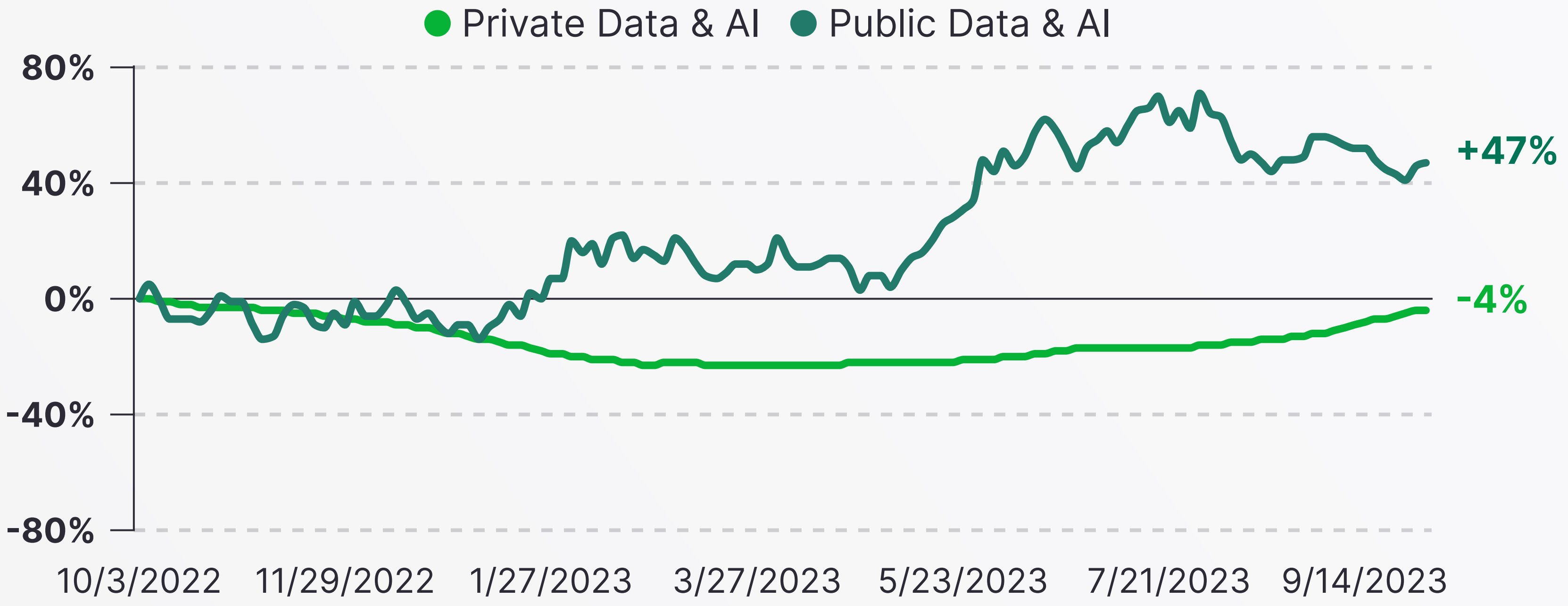
# Private secondary market price action vs public comps

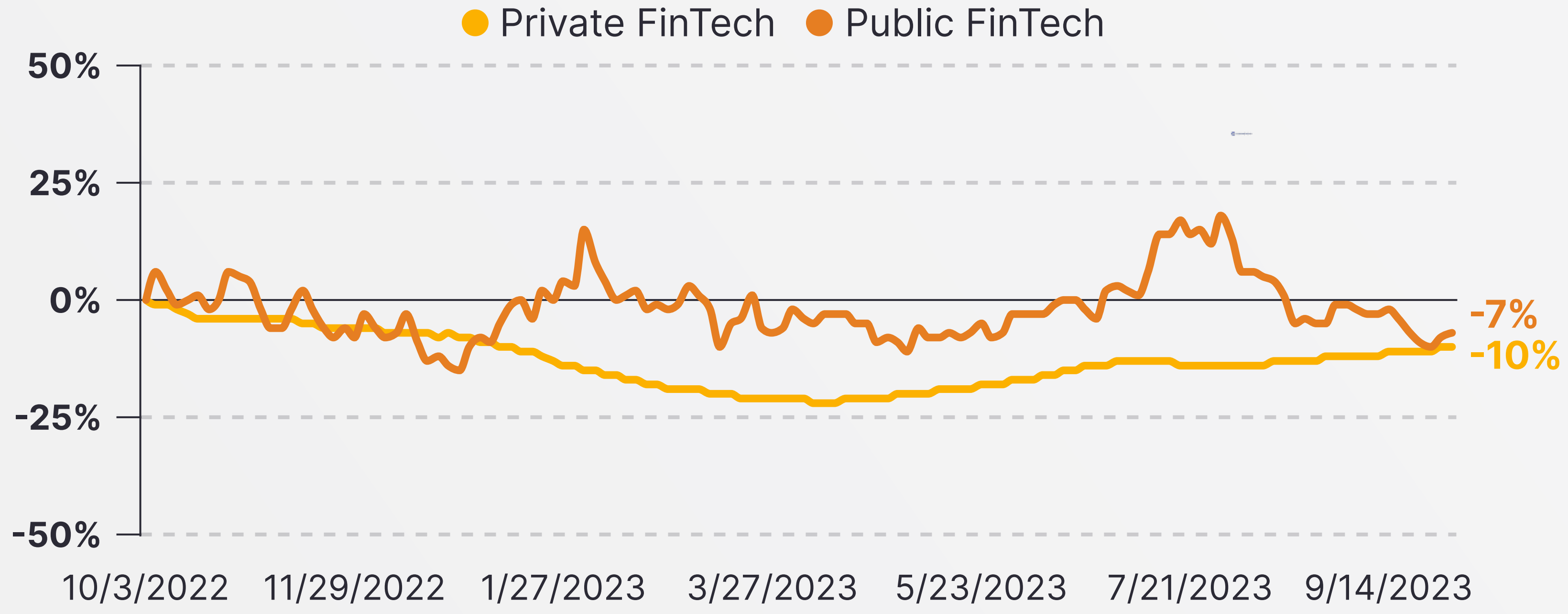
## Relative underperformance of private vs. public companies is apparent in several key sectors



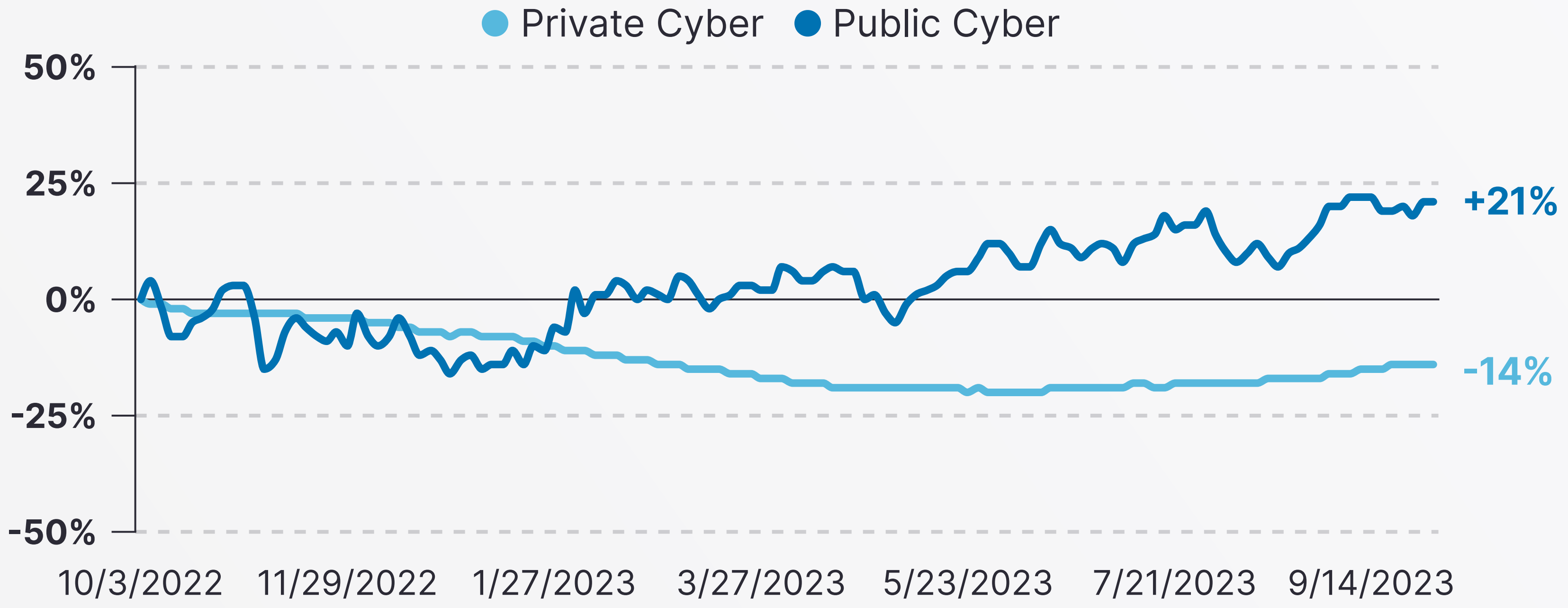

**Private Sales Tech** includes Attentive, GupShup, Intercom, Outreach, ServiceTitan, Talkdesk, Thrasio & Yotpo.
**Public Sales Tech** includes BRZE, CRM, CXM, FRSH, HUBS, SMWB & SPT.




**Private Data & AI** includes 6Sense, Airtable, Anthropic, Automation Anywhere, Cockroach Labs, Databricks, Dataminr, DataRobot, DataStax, Flock Safety, Grafana Labs, OpenAI, ScaleAI, Starburst Data & ThoughtSpot.
**Public Data & AI** includes AI, BASE, CFLT, DDOG, LIDR, GTLB, MDB, NEWR, NVDA, PEGA, PLTR, SNOW & SPLK.




**Private FinTech** includes Addepar, Animoca Brands, Bolt, Blockdaemon, Brex, Carta, Chainalysis, Chime, Circle, Consensys, eToro, Figure, Klarna, Kraken, Mercury, OpenSea, Pipe, Plaid, Ramp, Revolut, Ripple, Stripe, Toss, Upgrade, Uphold & Varo.
**Public FinTech** includes ADYEN, ALKT, COIN, FLYW, GDOT, MQ, PAYO, PYPL, SQ, WISE.




**Private Cyber** includes Arctic Wolf, BigID, Cybereason, Lookout, Netskope, Orca Security, Rubrik, SecurityScorecard, Snyk & Tanium.
**Public Cyber** includes CHKP, CRWD, DARK, FTNT, NET, OKTA, PANW, RPD, S & SPLK.

**Note:** Sourced from Caplight Data. Charts indicate average price performance of underlying constituents in each index.

# New Product Releases on Caplight Data

## 1 Sector Pages

- Compare sector performance and market activity on the new Sectors page

## Company Trading Context

- We've added ROFR + Trading Context on 35 of the most frequently traded pre-IPO companies

## Closed Trade History

- View a list of closed secondary trade data points across all companies

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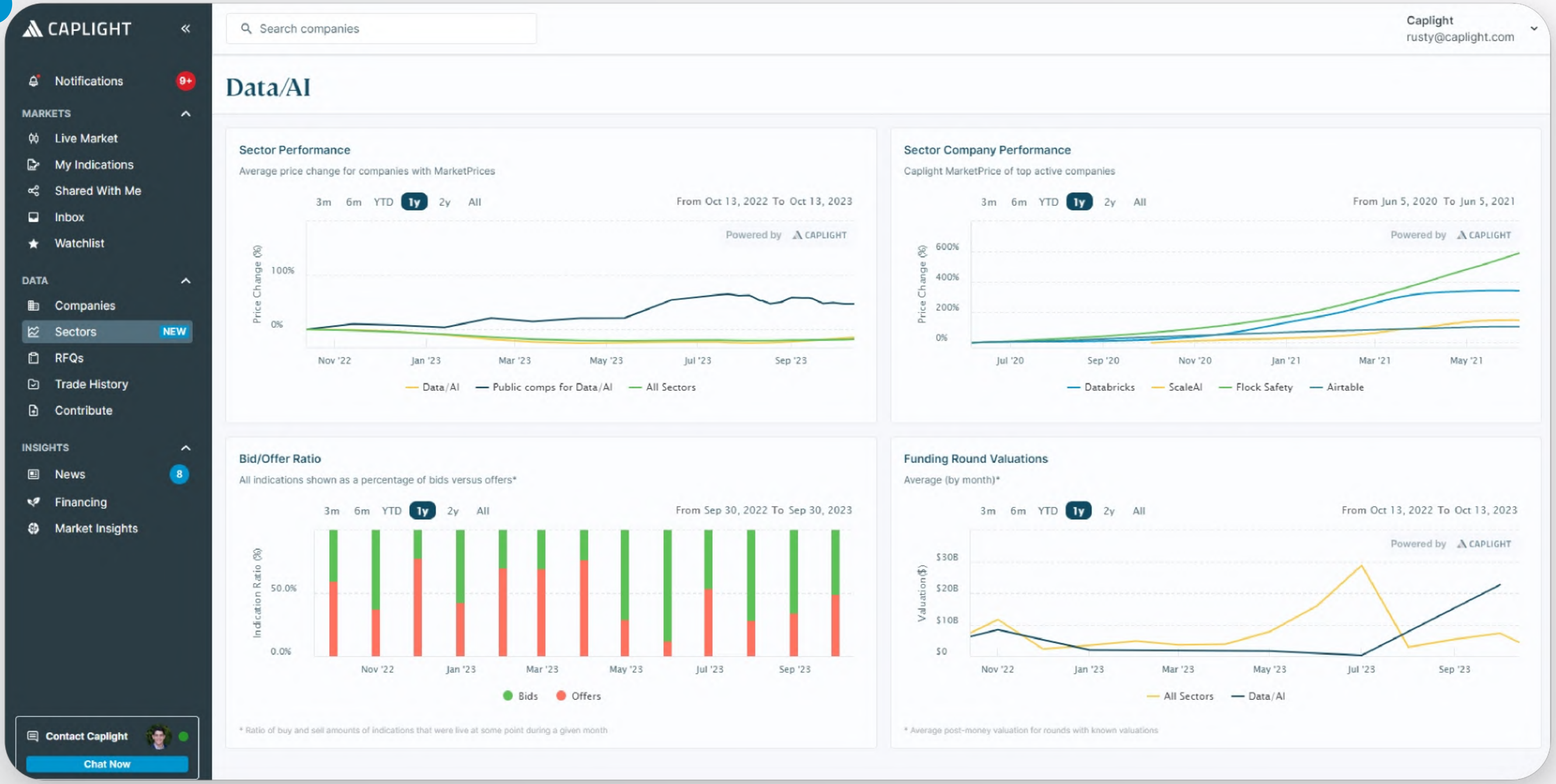

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