



Initial Public Offerings

Australian Mid-market Activity
Q2, 2022 Financial Year

Introduction

We are happy to present our quarterly review of the mid-market IPOs on the ASX.

We are happy to present our quarterly review of the mid-market Initial Public Offerings (“IPOs”) on the Australian Securities Exchange (“ASX”). The focus of the analysis is on the current quarter and the immediately preceding 12 months with the aim of providing you with an overview of the current mid-market IPO activity.

In our analysis we have looked at IPOs that had an enterprise value of less than \$200m at the time of listing. We have also provided some further detail on the cost of IPOs broken down by market capitalisation, and the performance of IPOs occurring in the last 12 months by significant sectors.

Key highlights are:

- There were 53 IPOs for mid-market companies in the quarter, an increase on last quarter and an increase on the same period last year as the market continues to recover after COVID 19.
- The mining related sectors were again the most active sectors in the quarter with 34 IPOs.
- Mid-market companies raised \$718.9 million on the ASX in the quarter.
- The average IPO fundraising was \$13.6 million, which is a 25% decrease on the previous quarter, and a 9% decrease on the 12-month average.
- On average, transaction costs (excluding brokerage fees) decreased by 18% to \$0.24 million.

Overview

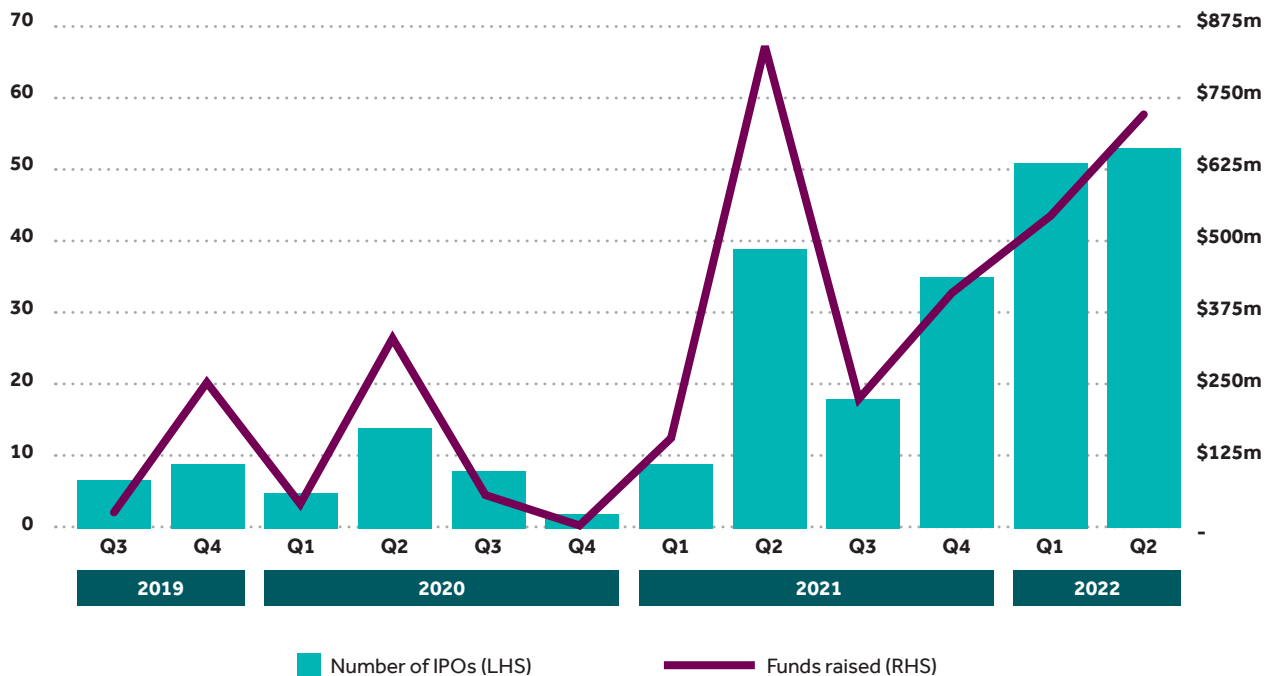
There were 53 IPOs in the mid-market this quarter, a 4% increase from last quarter, and a 36% increase compared to the same quarter last year (Q2 2021), which is when the market started showing signs of recovery after COVID 19.

Total funds raised in the quarter was \$718.9 million, a 30% increase from last quarter, and a 17% decrease compared to the same quarter last year. The average funds raised per transaction this quarter was up by 25% from \$10.9 million last quarter to \$13.6 million, however, it decreased by 39% when compared to the same quarter last year.

This quarter has seen the 12-month average funds raised per transaction decrease by 15%.

The average enterprise value at IPO in the quarter was \$40.4 million, which was up 33% from last quarter and down 32% from the same quarter last year.

Number of IPOs and funds raised by quarter



Source: S&P Capital IQ and Nexia analysis



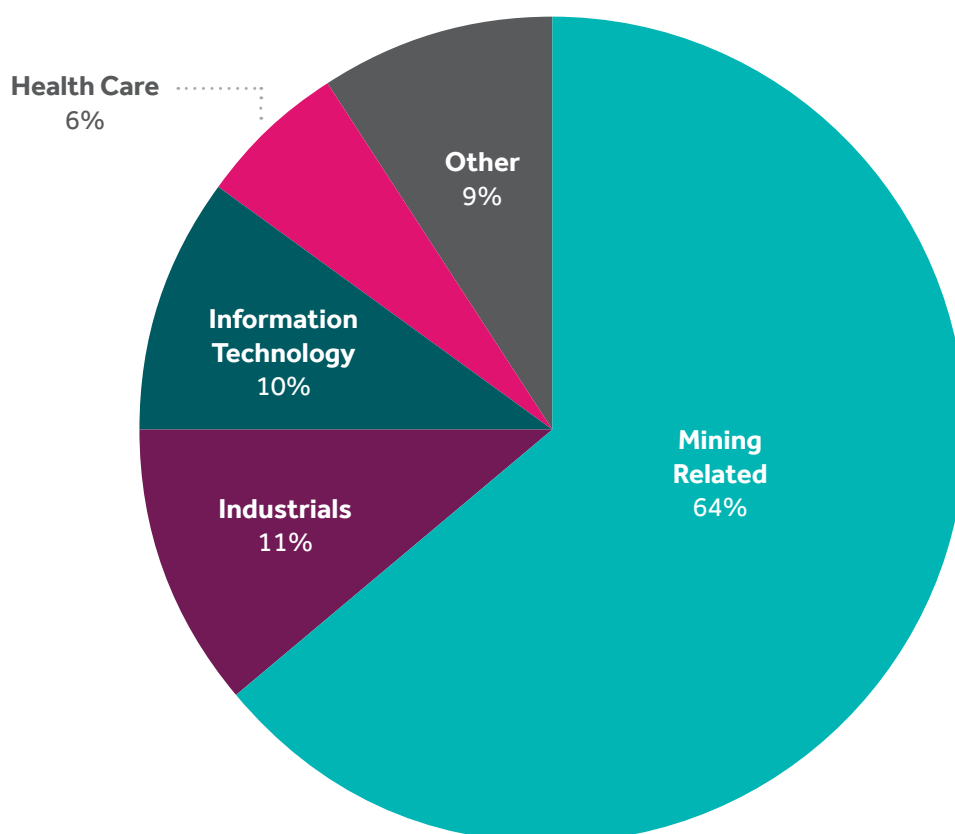


Quarterly Activity

There were 34 IPOs within mining related sectors, followed by 6 IPOs within industrials, 5 IPOs in information technology, and 3 in healthcare. The financials and consumer staples sectors had 2 IPOs each, and consumer discretionary had 1 IPO. There were no IPOs in the communications and utilities sectors.

Of the \$718.9 million raised during the quarter, the mining related sectors recorded the highest value of funds raised at \$331.3 million, followed by industrials at \$121.7 million and healthcare at \$112.0 million.

The following funds were raised by sector in the quarter:



Company Name	Industry Sector	Industry	Gross Proceeds (\$m)	EV IPO (\$m)
BirdDog Technology Limited	Information Technology	Technology Hardware, Storage and Peripherals	33.0	146.0
Artrya Limited	Health Care	Health Care Technology	40.0	112.0
Close the Loop Ltd	Industrials	Commercial Services and Supplies	15.8	111.7
Minerals 260 Limited	Materials	Metals and Mining	30.0	101.2
Radiopharm Theranostics Limited	Health Care	Biotechnology	50.0	95.0
IPD Group Limited	Industrials	Trading Companies and Distributors	40.0	93.5
Falcon Metals Limited	Materials	Metals and Mining	30.0	88.5
Atturra Limited	Information Technology	IT Services	24.8	87.7
RAS Technology Holdings Limited	Industrials	Professional Services	29.0	80.7
Australian Bond Exchange Holdings Limited	Financials	Capital Markets	7.3	76.3
Alloggio Group Limited	Consumer Discretionary	Hotels, Restaurants and Leisure	16.5	74.4
AVADA Group Limited	Industrials	Commercial Services and Supplies	30.0	73.8
XPON Technologies Group Limited	Information Technology	Software	12.5	71.9
The Hydration Pharmaceuticals Company Limited	Consumer Staples	Personal Products	17.0	59.3
SHAPE Australia Corporation Limited	Industrials	Construction and Engineering	2.0	57.6
Besra Gold Inc.	Materials	Metals and Mining	10.0	56.3
ActivePort Group Ltd	Information Technology	Software	15.0	50.4
Green Technology Metals Limited	Materials	Metals and Mining	24.0	49.3
Tissue Repair Ltd	Health Care	Biotechnology	22.0	42.4
Cadence Opportunities Fund Limited	Financials	Capital Markets	15.5	41.7
Lykos Metals Limited	Materials	Metals and Mining	12.0	40.0
Black Mountain Energy Ltd	Energy	Oil, Gas and Consumable Fuels	11.0	37.0
Evolution Energy Minerals Limited	Materials	Metals and Mining	22.0	32.3
Remsense Technologies Limited	Industrials	Construction and Engineering	5.0	31.0
Winsome Resources Limited	Materials	Metals and Mining	18.0	28.3
Alvo Minerals Limited	Materials	Metals and Mining	9.0	26.8
iTech Minerals Ltd	Materials	Metals and Mining	7.0	24.9
Biome Australia Limited	Consumer Staples	Personal Products	8.0	23.5
Nimy Resources Limited	Materials	Metals and Mining	6.4	23.4
Hamelin Gold Limited	Materials	Metals and Mining	10.0	22.0
NickelSearch Limited	Materials	Metals and Mining	10.0	20.8
American West Metals Limited	Materials	Metals and Mining	12.0	20.5
GreenTech Metals Limited	Materials	Metals and Mining	5.0	19.1
Equinox Resources Limited	Materials	Metals and Mining	9.0	19.1
Infinity Mining Limited	Materials	Metals and Mining	10.0	18.4

Sectors

We have analysed the number of IPOs and average fund raising per sector over the last quarter in order to better understand the activity in each sector.

Mining related sectors were the most active sectors with 34 IPOs and average funds raised of \$11.3 million per transaction.

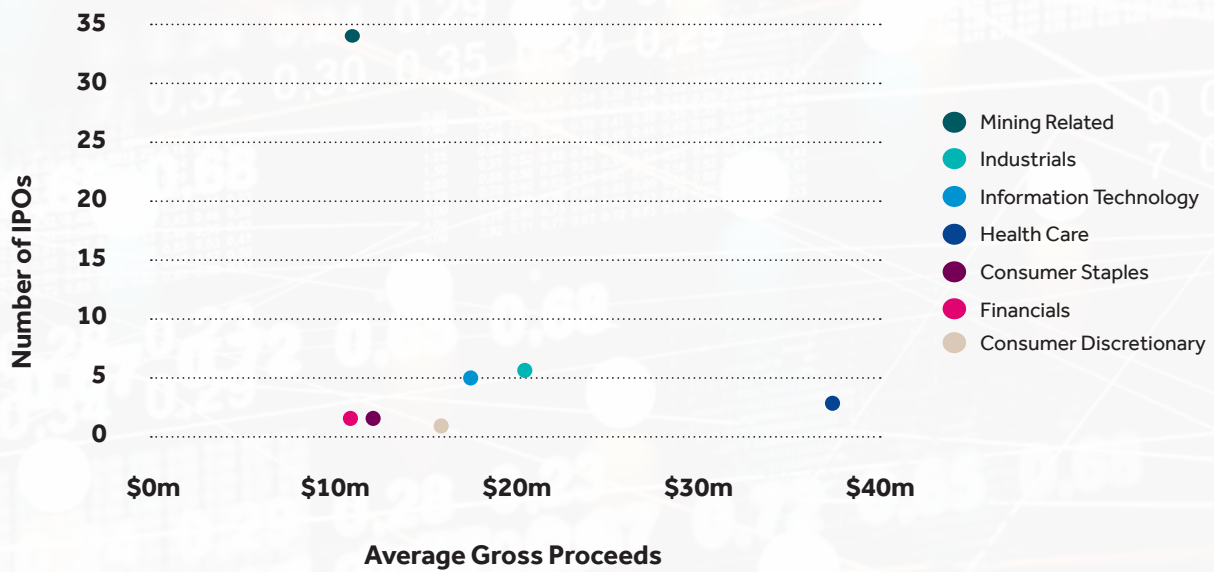
The healthcare sector only had 3 IPOs this quarter but the average funds raised was the highest of all sectors at \$37.3 million per transaction, followed by the industrials sector which had average funds raised of \$20.3 million with 6 IPO.

The information technology sector had 5 IPOs in the quarter, with average funds raised of \$17.9 million respectively.

The consumer staples sector had average funds raised of \$12.5 million and 2 IPO, the financials sector had average funds raised of \$11.4 million and 2 IPO, and the consumer discretionary sector had average funds raised of \$16.5 million with 1 IPO.

There were no mid-market IPOs in the communications and utilities sectors during the quarter.

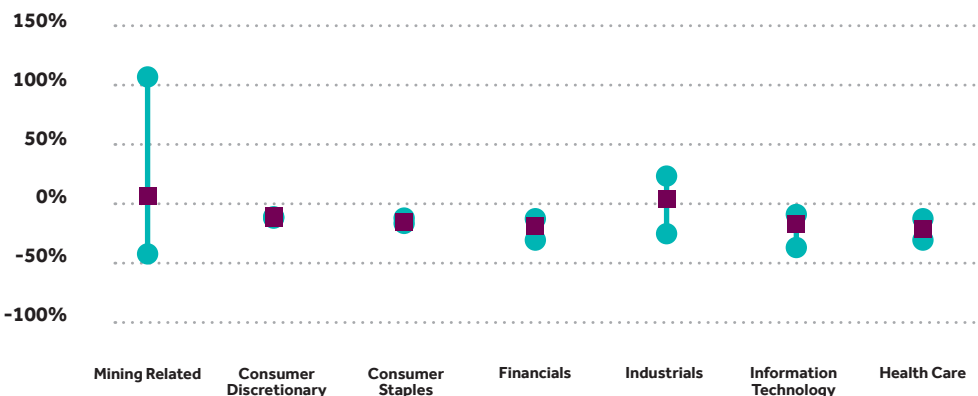
Number and average fundraising by sector (last 12 months)



Source: S&P Capital IQ and Nexia analysis

Performance over the last 12 months

Movement in market capital since IPO by industry (Past 12 months IPOs: low, high and average)



Mining related sectors were the most volatile sectors with a spread of returns of 157% and average returns of 6%.

The industrials sector was also relatively volatile with a spread of returns of 56% and average returns of 4%, followed by the information technology sector with a spread of returns of 32% and negative average returns of 21%, the financials sector with a spread of returns of 29% and negative average returns of 17%, and the healthcare sector with a spread of returns of 15% and negative average returns of 24%.

The consumer staples and consumer discretionary sectors were less volatile with negative average returns.

Source: S&P Capital IQ and Nexia analysis

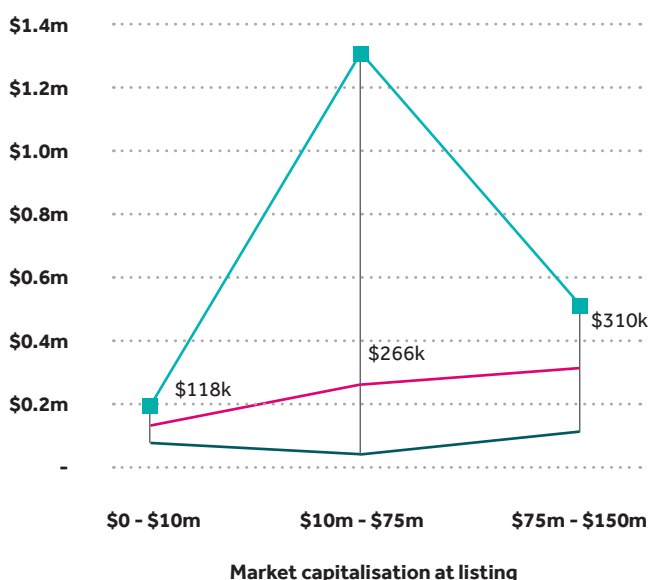
Costs

Certain costs in undertaking an IPO, being accounting and legal costs, are typically fixed regardless of the outcome. Fundraising costs, on the other hand, are generally paid on successful completion of the IPO and represent a percentage of proceeds raised. Accordingly, fundraising costs have been excluded from our analysis.

A number of factors will impact the costs incurred, including how prepared the company is for the IPO, the complexity of its business and whether there are any related transactions. Over the last year, the fixed costs for an IPO have averaged \$239,646 compared to \$293,647 for the corresponding 12-month period in the prior year.

We note there were no transactions during the quarter within the \$150m-\$200m market cap range.

Transaction costs by market capital size



Source: S&P Capital IQ and Nexia analysis

Methodology

The analysis was prepared based on data sourced from S&P Capital IQ. Data analysed is for completed IPOs on the ASX, from 1 October 2021 to 31 December 2021, with an implied enterprise value of less than \$200m. If no implied enterprise value was disclosed at the IPO filing date, transactions were adjusted to be the first enterprise value disclosed within the preceding 90 days.

Of the 53 transactions analysed for transaction costs there was sufficient data for 81% of the transactions to calculate the average accounting fees per transaction and there was sufficient data for 91% of the transactions to calculate the average legal fees per transaction.

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