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2023 TECHNOLOGY AND LIFE SCIENCES IPO REPORT

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Introduction

Wilson Sonsini Goodrich & Rosati's *2023 Technology and Life Sciences IPO Report* presents analysis related to 13 initial public offerings (IPOs) completed by U.S.-based technology and life sciences companies between January 1 and December 31, 2023. The report is limited to IPOs valued at over $75 million.

Market volatility, high interest rates, and ongoing geopolitical conflict continue to influence low levels of IPO activity in the U.S. capital markets. The trend is observed across all sectors, resulting in IPO levels similar to those seen during and in the aftermath of the 2009 financial crisis. While the third quarter of 2023 saw a boost with a handful of high-profile technology companies completing their IPOs, it did not usher a wave of other transactions. Many companies continue to opt for a "wait-and-see" approach.

While there continues to be markedly lower IPO activity, we publish this report in the interest of continuity. Given the very small sample size, we caution readers not to draw conclusions about whether the data in this report will be reflective in a more typical market environment.

Overview of 2023 IPO Activity

Technology

Twenty-one technology companies completed IPOs during 2023, with three having proceeds above $75 million. Among these, active sub-areas included application software; retail applications; and electronic equipment, instruments, and components.

Of the 21 tech IPOs in 2023, 17 had proceeds below $25 million, and one had proceeds between $25 million and $75 million. All three IPOs above $75 million (which are summarized in greater detail later in this report) raised over $500 million in proceeds.

Life Sciences

Twenty-two life sciences companies completed IPOs during 2023, with 10 having proceeds above $75 million. Of the 22 life sciences IPOs, 11 were completed by biotech companies, five were in the pharmaceutical sector, and three were in the healthcare equipment and facilities sectors. These categories together accounted for almost 87% of the life sciences IPOs in 2023.

Of the 22 life sciences IPOs in 2023, 12 had proceeds below $25 million. Of the 10 IPOs that closed in 2023 with proceeds above $75 million (which are summarized in greater detail in this report), two had proceeds between $75 million and $100 million, three had proceeds between $100 million and $200 million, four had proceeds between $250 million and $500 million, and one raised over $500 million in proceeds.

The data included in the report was obtained from final IPO prospectuses, plus research provided by S&P Global Market Intelligence, Deal Point Data, and financial data and analytics provider FactSet.

We would like to thank the team that conducted the research and provided editorial input for the *2023 Technology and Life Sciences IPO Report*. The partners on the team included Shannon Delahaye, Andrew Gillman, Lauren Lichtblau, Michael Nordtvedt, Rezwan Pavri, and Allison Spinner, with additional contributions from Heath DeJean, Abigael Diaz, Cody Gaynor, and Ari Goldberg.

To learn more about private placement financing and registered direct offerings for technology and life sciences companies in 2023, read Wilson Sonsini's *2023 Technology and Life Sciences PIPE and RDO Report*. For more information on corporate governance trends across SV150 companies, read Wilson Sonsini's *2023 Silicon Valley 150 Corporate Governance Report*.

Please feel free to share your comments or questions about IPOs or direct listings by contacting Rezwan Pavri (rpavri@wsgr.com), Michael Nordtvedt (mnordtvedt@wsgr.com), or any other Wilson Sonsini capital markets partner.

Considerations for Late-Stage Private Companies

What Can We Do Now?

Some companies who have previously shelved their IPO plans may now be considering starting them up again and we have observed an uptick in other companies considering initiating processes. While there is no doubt that the state of the IPO market over the coming months will be determined primarily by macroeconomic factors, the 2024 U.S. election, and the stock performance of growth companies, a number of additional considerations will also play an important part in a company's decision of whether to move forward with IPO plans and their ultimate success. If it is the right time for your company to go public, we encourage you to take action to maximize your chance of taking full advantage of your optimal IPO window when it opens up.

"While there is no doubt that the state of the IPO market over the coming months will be determined primarily by macroeconomic factors, the 2024 U.S. election, and the stock performance of growth companies, a number of additional considerations will also play an important part in a company's decision of whether to move forward with IPO plans and their ultimate success."

Investor Education

Votes of confidence from key investors may help to coax more reluctant investors back into the markets. Companies that attract top investors may be able to launch their deals with momentum, price them higher, and promote stock price stabilization post-IPO. In light of these trends, "testing-the-waters (TTW)" meetings and concurrent private placement efforts will likely take on enhanced significance in the current market. Companies, including those that put their IPOs on hold in early 2022, will want to update investors on their business early and often—whether that's reigniting TTW meetings for a near-term IPO or initiating non-deal roadshows if an IPO is further down the road.

Enhancing Controls and Systems

Being ready to go public—and stay public—involves transformation across many functional and operational areas, and it requires a major contribution from many participants.

Inadequate controls and systems, specifically regarding the compilation of public-company-compliant financial statements and processes, disclosure controls, enterprise resource planning, human resources information systems, and equity administration, commonly caused process delays in the pandemic-era IPO boom, as well as costly and embarrassing compliance issues post-IPO. Companies should make it a priority to begin assessing needs and gaps early, as hiring the right people and implementing appropriate controls and systems are lengthy processes. Companies may also consider engaging consultants to assess any gaps and recommend remediation, particularly if management has limited experience with operating public companies.

Consider Post-IPO Governance Structure

Public companies are subject to extensive corporate governance standards imposed by the U.S. Securities and Exchange Commission (SEC) and stock exchanges, which prescribe the formation of specific board committees, establish multilayered director standards, and require policies impacting numerous areas of a company's operations. Although transitional "phase-in" periods apply to some of these requirements, companies planning for an IPO should consider assessing their board's compliance with these standards, recruiting additional directors to fill identified gaps, and beginning to formalize governance processes and policies well in advance of an IPO. As proxy advisory firms moved to curb the number of boards on which public company directors serve, new board diversity requirements were implemented, and the number of public technology companies exploded during the pandemic, experienced public company directors were and continue to be in high demand. Many companies found that it took time to recruit directors that not only had the required qualifications, but were also a good fit from industry, cultural, and/or interpersonal perspectives. When the IPO market returns in earnest, companies may find it more time-consuming or challenging to identify director candidates that check all their boxes.

The pandemic-era IPO boom also saw a significant expansion in the number of dual- and multi-class voting structures among technology companies at IPO. Such structures are often implemented to give existing stockholders, including founders or other executives, more control, and can be highly customized and entail significant involvement from founders, key investors, and their respective advisors. Given the complexity and multilateral nature of these negotiations, companies interested in exploring dual- or multi-class structures should consider getting an early start.

"Companies contemplating a private funding round prior to an IPO should also keep in mind deal terms that could be a barrier to an IPO, such as automatic conversion provisions that depend on achieving a certain level of proceeds, minimum share price, or both in connection with an IPO."

Considerations for Financings Leading up to IPO

Companies contemplating a private funding round prior to an IPO should also keep in mind deal terms that could be a barrier to an IPO, such as automatic conversion provisions that depend on achieving a certain level of proceeds, minimum share price, or both in connection with an IPO. In addition, companies should be particularly mindful of protective provisions or other consent rights which may give pre-IPO investors the ability to block an IPO. In some cases, financing documents may also contain an explicit "IPO Conversion Ratchet," whereby if the IPO price does not reach a threshold, the preferred conversion ratio is automatically adjusted so the target is met. If feasible, companies should attempt to address these issues in advance of the IPO process.

Additional Considerations for Technology and Other Revenue-Generating Companies

Companies that are commercial, revenue-generating businesses (typically including technology companies and, less commonly, life sciences companies engaged in medical facilities, equipment, tools, devices, or diagnostics) should consider taking steps in addition to the above to prepare for a future IPO.

Business and "Street" Readiness

Unlike during the earlier pandemic-era IPO window where the economic focus was largely on a company's addressable market and growth prospects, revenue-generating companies should strive to demonstrate a fully operational commercial engine to be marketable at desired valuation levels. Higher costs of capital, uncertainty in the private financing markets, and decreased investor risk appetite over the past couple of years have created powerful incentives driving technology companies to adopt cost-cutting measures and prioritize profitability. In addition to a clear path to profitability like recent IPOs have demonstrated, investors will be focused on other non-growth metrics like margins and free cash flow.

> "Late-stage companies should establish procedures for robust revenue, expense, and operating results forecasting, with the key being to meet or slightly exceed expectations."

Late-stage companies should establish procedures for robust revenue, expense, and operating results forecasting, with the key being to meet or slightly exceed expectations, as missing forecasts can lead to disproportionate stock price impacts. Companies should also ensure that their management and investor relations teams are ready to "talk to the street"; in other words, that they are equipped to convey the company's business narrative and long-term vision and brand effectively and consistently. Companies may even consider holding practice earnings calls with management, board members, and key stockholders.

Selecting Key Metrics

Another important consideration, particularly for technology companies, relates to the selection of key metrics. Key metrics help investors see the business through the eyes of management and facilitate comparisons with competitors. They are an important disclosure in the IPO and are equally important post-IPO. Companies should focus on what matters to them and not allow the "analysts" or the "market" to dictate the metrics disclosure. Key metrics typically capture concepts such as scale, customer engagement/monetization, customer retention, and other financial highlights. Companies should assess whether their metrics reflect the drivers of the business or could be used to explain the results of operations. Does management use these metrics to operate the business, and will these metrics continue to reflect the business in the future? Could these metrics turn negative in the near future or be misleading? Can the company accurately calculate these metrics over time, both historically and moving forward? For example, has the methodology used to calculate a key metric changed over time? Companies should start thinking about these considerations early and begin formulating their metrics well in advance of their IPO.

Additional Considerations for Pre-Revenue Life Sciences Companies

> "In addition to a defined regulatory path, recent IPOs have demonstrated that investors are focused on near-term clinical development or regulatory milestones."

Near-Term Clinical Development or Regulatory Milestones

Higher costs of capital, uncertainty in the private financing markets, and decreased investor risk appetite over the past couple of years have also enhanced the expectation that an IPO-ready life sciences company have clarity regarding the path to regulatory approval for its programs and that it is focused on programs that are positioned to address high unmet medical needs, if approved. In addition to a defined regulatory path, recent IPOs have demonstrated that investors are focused on near-term clinical development or regulatory milestones. The majority of the therapeutics company IPOs in 2023 highlighted near-term (through 2024) milestones related to regulatory filings, data readouts, and clinical trial initiations in their pipeline disclosures.

Unlike IPOs prior to 2022 where a biotechnology or pharmaceutical company could go public without products in clinical development, successful IPOs by pre-revenue life sciences companies in 2023 demonstrate advanced progress in the company's development pipeline. Of the 10 life sciences companies surveyed in this report, nine companies have at least one program in clinical development, four of which are in Phase 3, the final stage of clinical development.

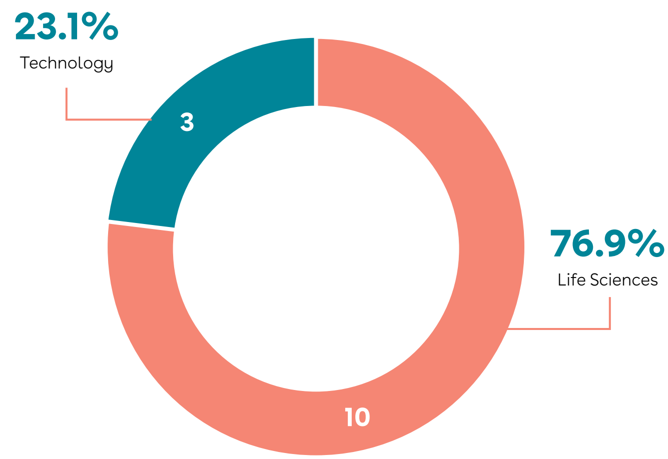
Multiple Shots on Goal

We continue to observe that life sciences companies that successfully completed their IPOs in 2023 typically have multiple programs in their pipeline. Of the 10 life sciences companies surveyed in this report, eight had more than one drug candidate in development.

Insider Participation

Life sciences IPOs, particularly those in the biotechnology space, are often seen as simply another financing event by the company, and the vast majority of biotechnology IPOs in recent years have included significant participation by company insiders to "anchor" the IPO. Based on our review of IPO prospectuses along with public filings by insiders with the SEC, insiders purchased shares in all 10 of the life sciences IPOs surveyed in this report, resulting in such insiders holding between 40.5% and 76.1%, and an average of 58.3%, of the company's post-IPO common stock.

Technology vs. Life Sciences IPOs



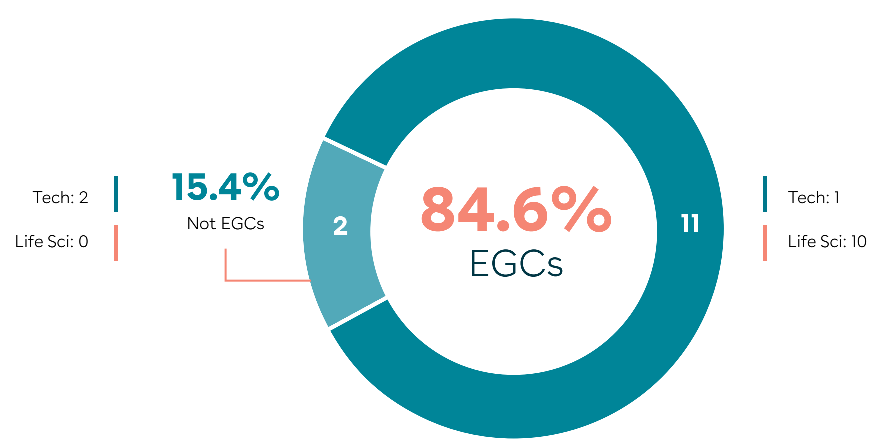
Technology Sector Breakdown

Life Sciences Sector Breakdown

Company Type

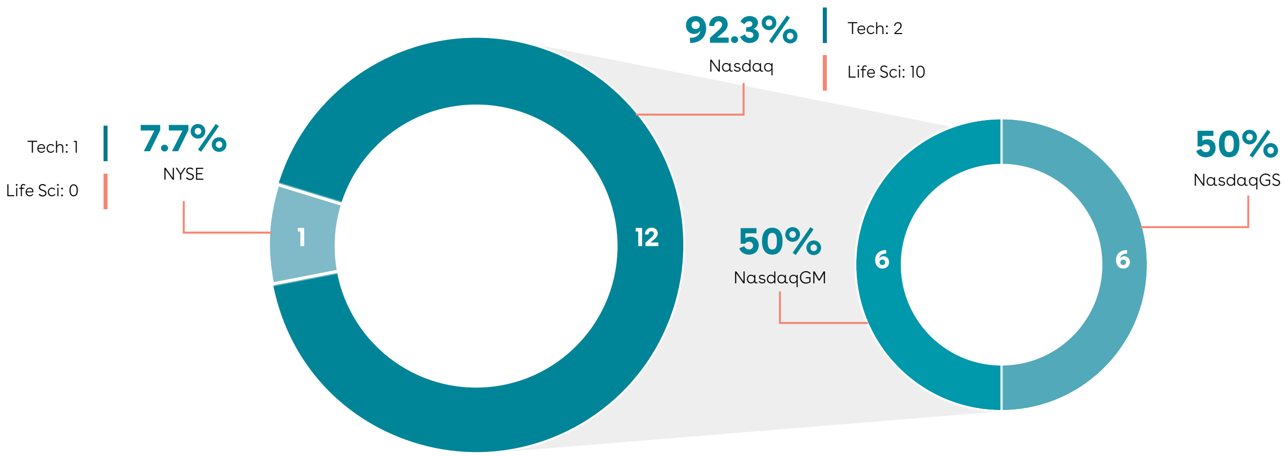
Emerging growth company (EGC) status affords an issuer the ability to enjoy certain reduced disclosure requirements, including providing fewer years of historical audited financials, reduced compensation disclosure, and reduced corporate governance requirements, particularly around internal controls over financial reporting and say-on-pay advisory votes.

Out of the 13 companies surveyed, 11 were EGCs and two were not EGCs.



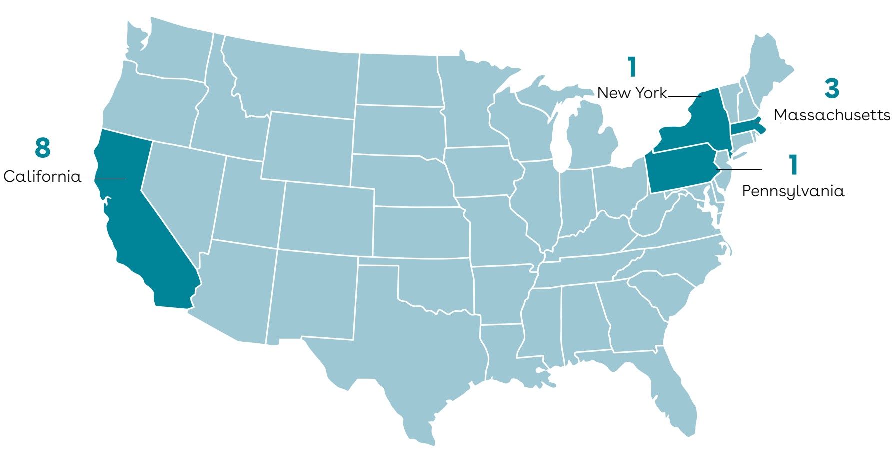
Exchange

Out of the 13 companies surveyed, 12 listed on Nasdaq, representing 92.3% of companies, while one technology company listed on the New York Stock Exchange (NYSE), representing 7.7% of the companies reviewed.



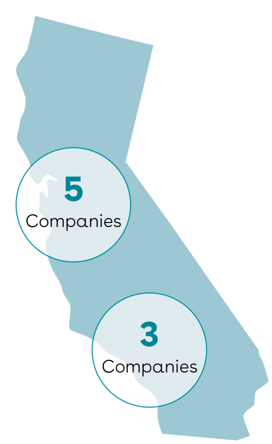
Headquarters (U.S.)

The map below shows the headquarters location for the 13 companies reviewed in this report.



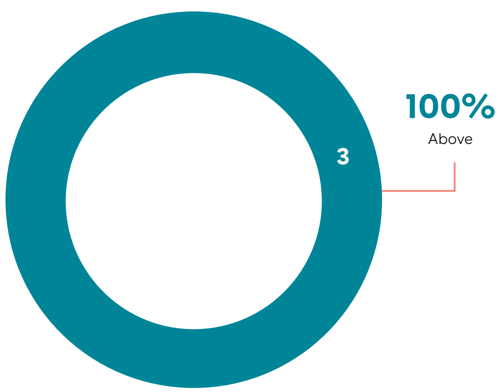
Headquarters (California)

Of the eight companies with headquarters in California, five are based in Northern California and three are based in Southern California.

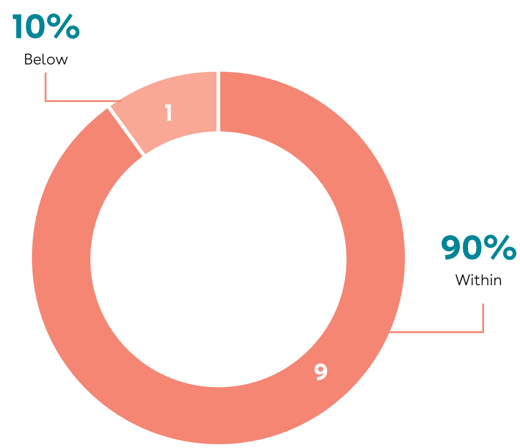


Comparison of Offer Price to Initial Price Range and to First Day Close

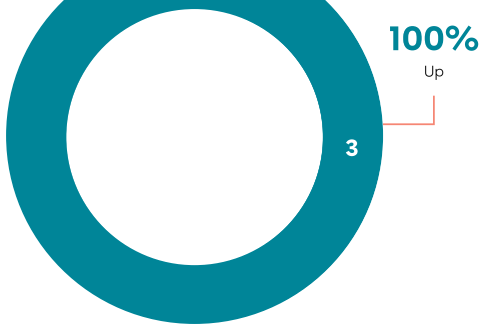
Technology Offer Price vs. Initial Price Range*



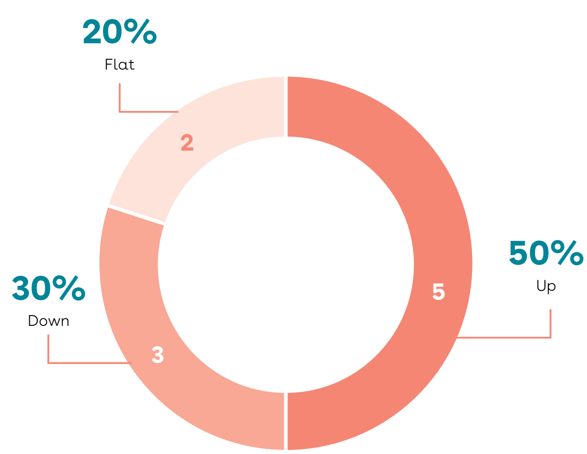
Life Sciences Offer Price vs. Initial Price Range*



Technology Offer Price vs. First Day Close



Life Sciences Offer Price vs. First Day Close



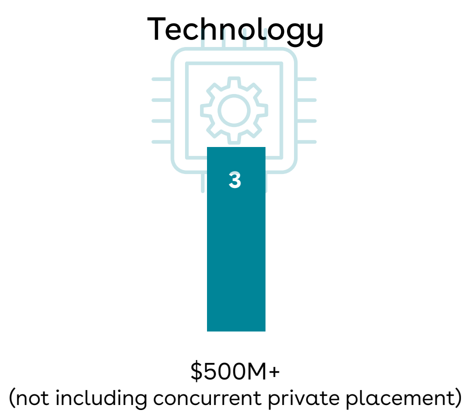
* One technology company and six life sciences companies also upsized their IPOs before effectiveness. Of these, five life sciences companies priced within their initial price range, and one technology company priced above its initial price range.

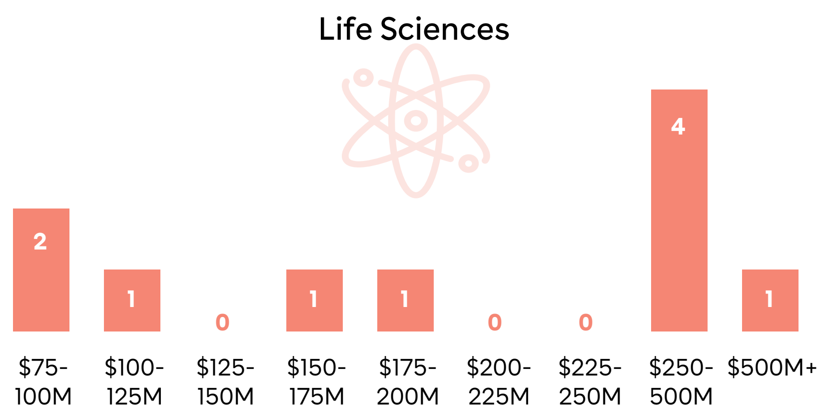
Deal Size Distribution and Closing Distribution by Quarter

Total IPO Deal Size (Gross)*

	Low*	High	Median	Average
Technology**	$576,000,000	$660,000,000	$638,400,000	$624,800,000
Life Sciences	$80,000,000	$540,000,000	$221,035,000	$230,050,000
All Values	**$80,000,000**	**$660,000,000**	**$281,250,000**	**$321,140,000**

Size Distribution*

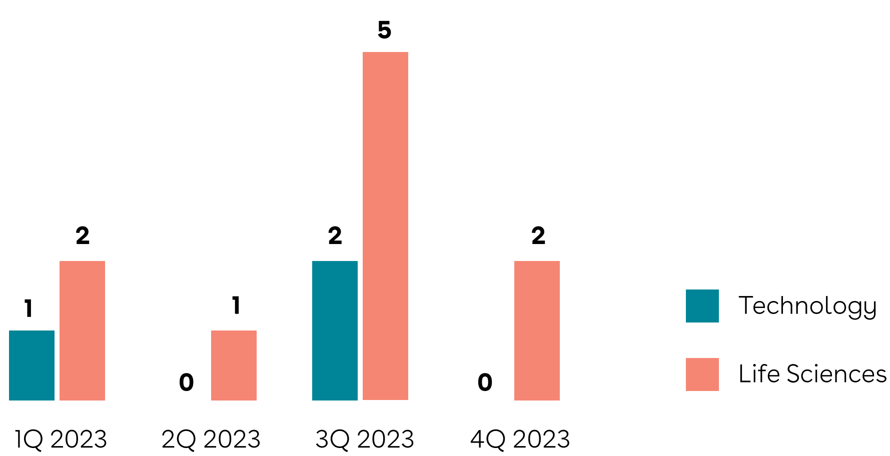




* IPOs below $75 million were excluded from this report.

** Deal size excludes the proceeds of any concurrent private placement financing.

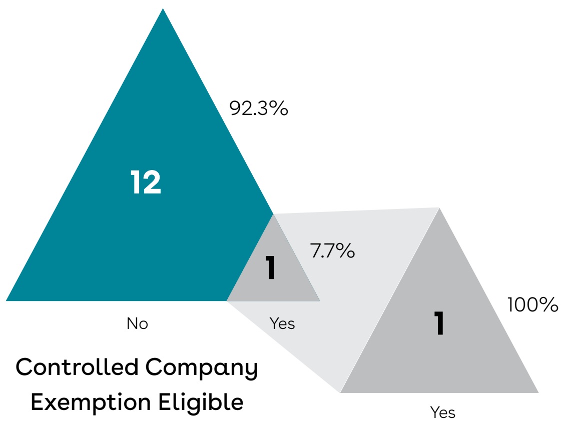
Closing Distribution by Quarter



Board of Directors

Directors and Independence

We examined information regarding the size of the board of directors, director independence, whether the CEO and board chairperson roles were combined, the existence of lead independent directors in companies where the CEO and board chairperson roles were combined, and the number of companies relying on exemptions from compliance with corporate governance requirements.



Controlled Company Exemption Eligible

Controlled Company Exemption Used

Controlled Company Exemption

A company that elects to be considered a "controlled company" under NYSE or Nasdaq rules is exempt from certain corporate governance requirements, specifically that a company's board must consist of a majority of independent directors, and that independent directors must determine the compensation of the CEO and other executive officers and must select or recommend nominees for directors.

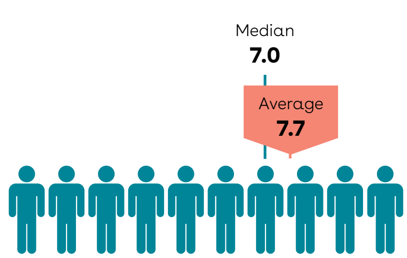
Of the 13 companies surveyed in 2023, one technology company was controlled company exemption eligible and used the exception.

Board Size and Director Independence

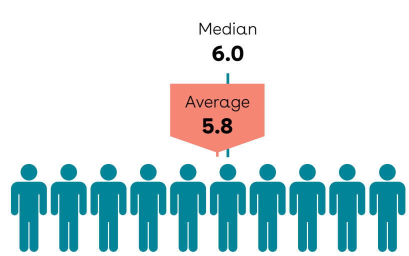
The average number of directors on the board at listing was 7.7, and the median was 7.

The average number of independent directors was 5.8, and the median was 6.

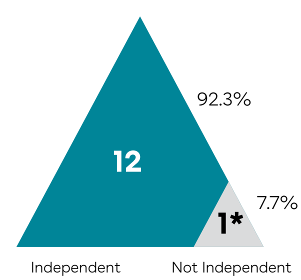
12 of the 13 companies surveyed had a majority of independent directors on the board at listing.



Total Number of Board Members



Number of Independent Board Members



Majority of Board of Directors/Independence

* The one company that did not have a majority of independent directors on the board was controlled company exemption eligible.

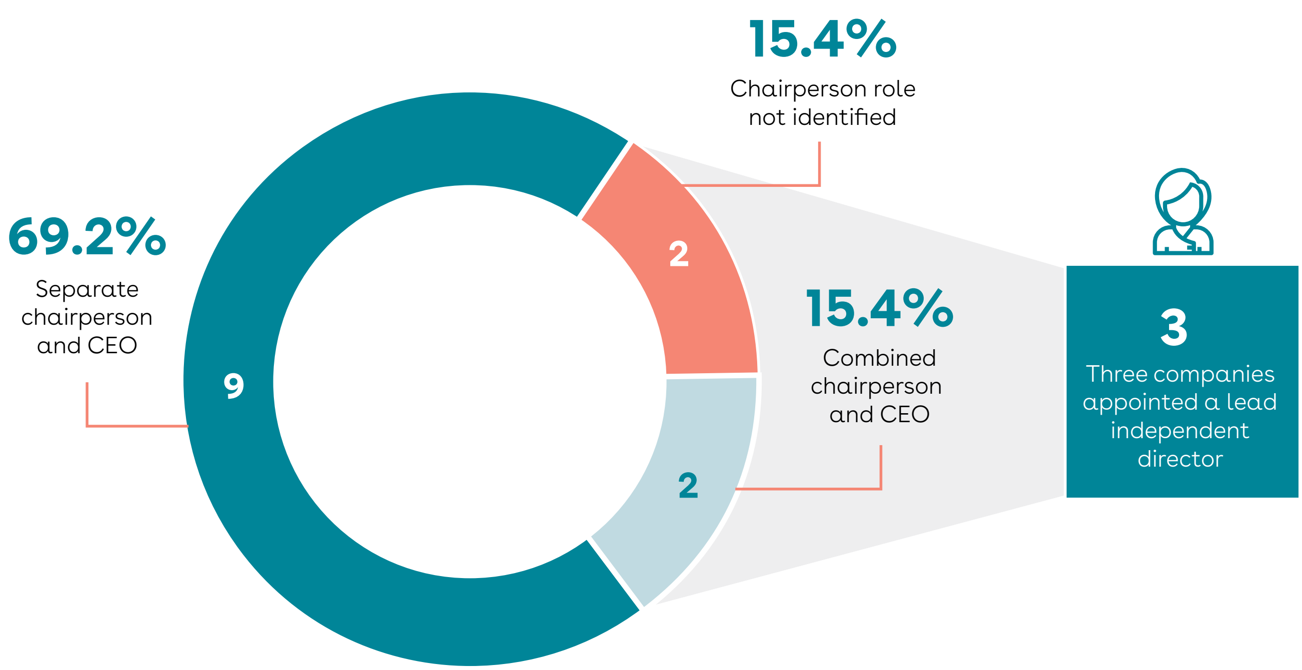
Board Chairpersons and Lead Independent Directors

Companies are required to disclose in their proxy statement the leadership structure of the board, such as whether the same person serves as CEO and chairperson, whether the company has a lead independent director, and what role the lead independent director plays in leadership of the board. While companies are not required to have separate board chairperson and CEO positions or to disclose in their IPO or direct listing prospectuses whether or not the board chairperson and CEO positions are separated, many choose to do so.

Separation of Chairperson and CEO; Lead Independent Director

Of the 13 companies surveyed, nine companies (69.2%) had a separate chairperson and CEO, while two (15.4%) combined the chairperson and CEO role. Two companies (15.4%) did not identify a chairperson role or otherwise did not specify whether the chairperson and CEO roles were to be separate.

Three companies (23.1%) appointed a lead independent director, including both of the companies that combined the chairperson and CEO roles, and one company that did not specify the chairperson role.

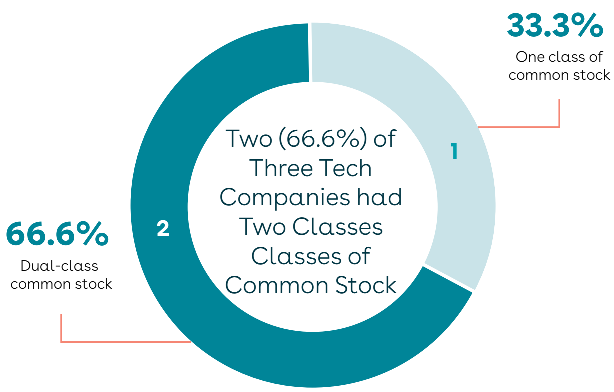


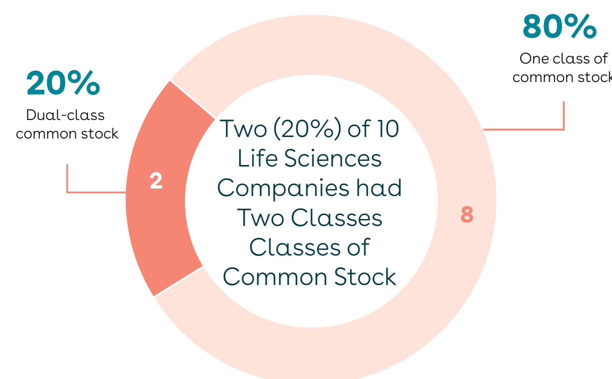
Ownership and Structure Factors

Classes of Common Stock

Typically, when a company has multiple classes of stock, one class has more voting power while the other class or classes have limited or no voting rights. Dual- or multi-class stock is often implemented to give existing stockholders—including founders or other executives—more control. However, multiple classes can be implemented for other reasons, including company structuring and regulatory compliance reasons.

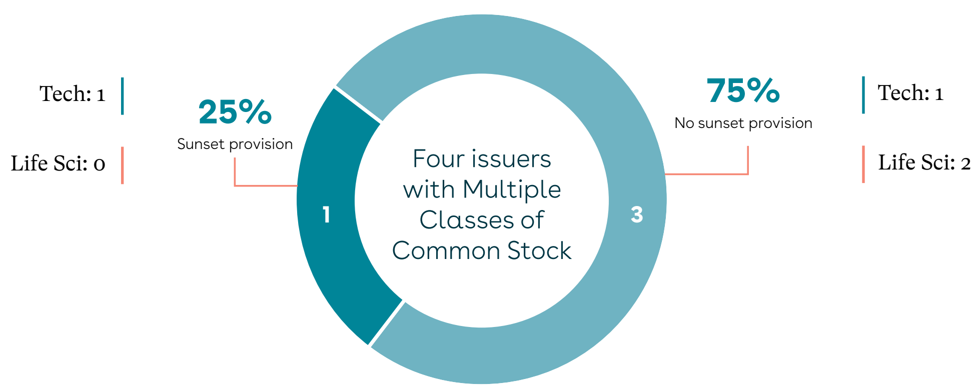
In 2023, four of the 13 companies surveyed implemented dual-class stock.





Sunset Provisions

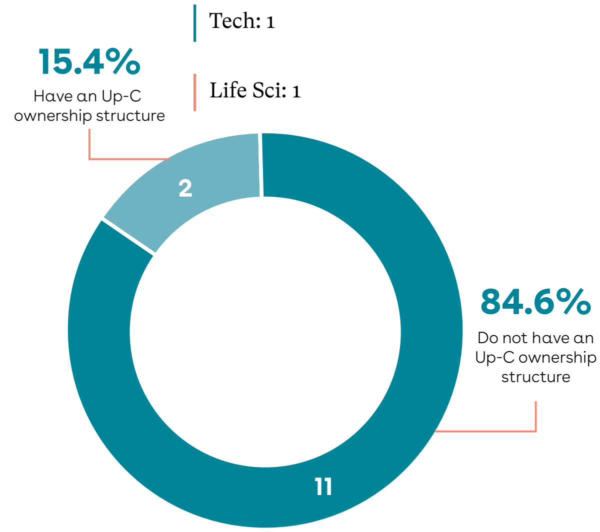
Some companies that implement a dual- or multi-class structure with high-vote shares include a sunset provision in the charter where the high-vote shares fall away upon the occurrence of one or more specified conditions, such as the occurrence of a specific event, such as the death of a founder, the date on which all high-vote shares represent less than a certain percentage of all shares outstanding, or after a specified time period. Of the four companies that had multiple classes of common stock, one company (25%) had a sunset provision, determined by time.



Up-C Structure

An "Up-C" structure is an ownership structure in which public shareholders hold stock in a publicly traded corporation that in turn owns interests in a partnership or LLC taxed as a partnership in which certain pre-IPO owners have a direct interest. This structure permits owners of private businesses taxed on a pass-through basis to continue to retain this treatment after an IPO and allows these owners and the publicly traded corporation to share in the tax benefits from certain tax attributes that arise when such owners sell their interests in the partnership/LLC. It is not an uncommon IPO structure for pass-through private businesses, including certain private equity-backed companies.

In 2023, two of the 13 IPOs surveyed utilized an Up-C structure.

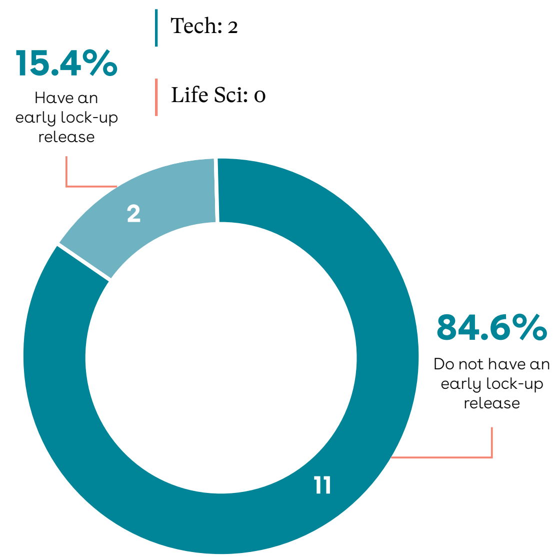


Early Lock-Up Release

The vast majority of lock-up agreements limit sales by pre-IPO stockholders for 180 days after an IPO. However, the banks and companies involved frequently discuss permitting early sales, which are often allowed. In recent years, many companies have successfully negotiated for more transparent early release provisions in lock-up agreements, and companies are actively pushing for early release flexibility and working with banks to design creative structures to meet their objectives.

One type of early release provision is tied to stock price performance. That is, after a certain period of time, stockholders may sell a certain percentage of shares if the stock price meets a specified performance target. Some companies assert that this type of staggered release provision relieves the pressure of a "straight cliff" after the 180-day lock-up period. In another type of early release provision, employees and certain other stockholders are allowed to sell a portion of their shares on the first day of trading. A "Day 1" release requires careful planning under the securities laws as well as significant coordination with the company's transfer agent and equity administration broker. Another type of early release provision is an "anti-front running provision." That is, if the lock-up is set to expire during a quarterly blackout period, the expiration date is accelerated so that all parties can sell during an open window. Otherwise, non-insider stockholders are able to sell at a time when affiliates and employees are still prohibited from doing so under the company's insider trading policy.

In 2023, two technology IPOs surveyed included an early lock-up release feature, both of which were tied to stock price performance and also included an anti-front running provision.



Deal Structure

Direct Listings

A direct listing is an alternative to a traditional underwritten initial public offering. In a direct listing, a private company becomes a publicly traded company by listing shares on the NYSE or Nasdaq. Some of the benefits of direct listings include market-driven price discovery, the ability for existing shareholders to sell some or all of their shares on the first day of trading, and trading access for a greater number of market participants. Some of the drawbacks include reduced control over the investors that buy shares and the potential for trading volatility.

A direct listing is still a relatively new concept; there have only been a limited number of direct listings to date, and in 2023 none of the 13 companies surveyed utilized a direct listing structure.

Although NYSE and Nasdaq now allow companies to raise proceeds through the direct listing process, all direct listings to date have only included selling shareholders. Existing shareholders are permitted to sell all or a portion of their shares immediately but are not obligated to do so.

Special Purpose Acquisition Companies (SPACs)*

SPACs are shell companies with no business operations. They are formed to raise capital in an IPO and to subsequently identify a private operating company target for a potential business combination, with the proceeds from the IPO used to fund the combined company and/or provide liquidity to the target company's stockholders. Combining with a SPAC (called a "de-SPAC") therefore provides an alternative for a target company to become public outside of a traditional IPO.

Deal Point Data reported that 27 U.S.-headquartered SPAC IPOs priced in 2023—compared to 71 in 2022—and there were 90 de-SPAC deals in 2023.

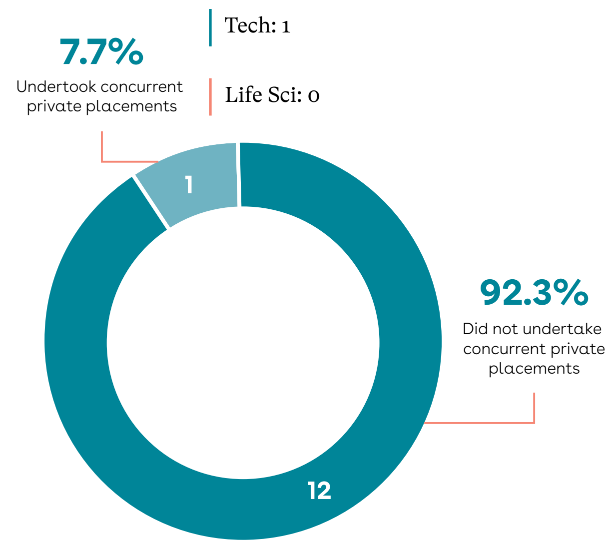
Of the 90 de-SPAC deals in 2023, 16 (17.8%) involved technology companies, while 19 (21.1%) involved healthcare companies—a category that includes life sciences sectors, like biotechnology and medical devices. According to Deal Point Data, technology and life sciences companies combined represented just under half (40%) of the de-SPAC deals from 2023, representing a decrease over the prior year, where technology and life sciences companies combined to account for 52% of de-SPAC deals in 2022.

* SPAC/de-SPAC transactions are not detailed in this report.

Concurrent Private Placements

Because the IPO process can take many months, a company may opt to pursue a private offering (which does not require registration with the SEC) on the same schedule as the IPO. In addition to raising capital, a company can use a concurrent private placement structure to enhance its relationships with strategic partners. However, concurrent private placements must be structured carefully to comply with the SEC's integration and general solicitation guidance.

Of the 13 companies surveyed in this report, one technology company conducted a concurrent private placement with a single investor valued at 21% of the size of the IPO and private placement combined.*

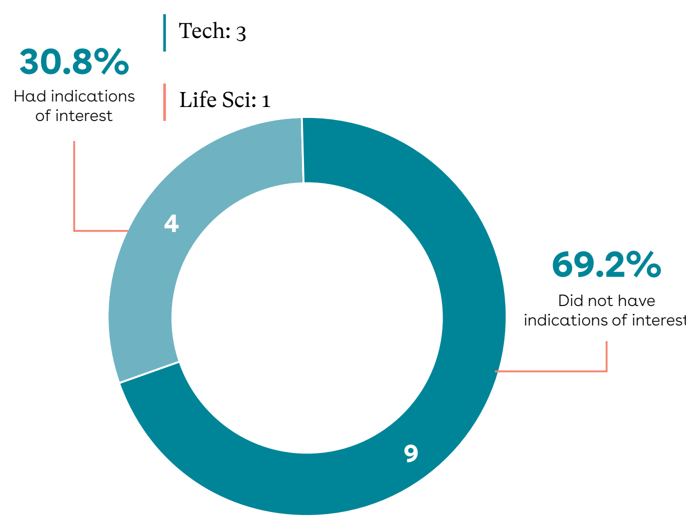


* Notably, this private placement was for the company's Series A preferred stock, which is senior to the company's common stock upon a liquidation and incorporates a minimum five percent return that compounds annually.

Indications of Interest

Before an IPO, a current investor may express an indication of interest in participating in the offering. It demonstrates a conditional, nonbinding interest in buying shares in the offering directly from the underwriters and is typically reflected on the cover page of the red herring. This is often seen as a marketing tool to demonstrate to the investing public that existing stockholders already have indicated an interest in purchasing shares in advance of the roadshow.

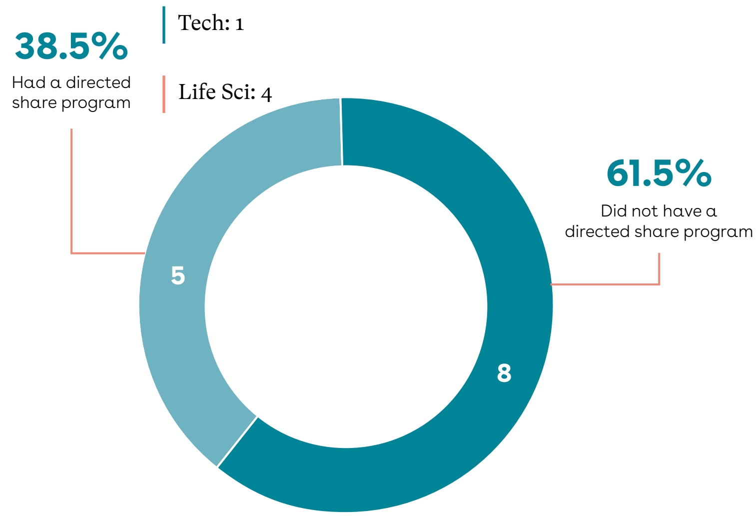
Of the 13 companies surveyed in this report, four companies, including all technology companies surveyed, discussed an indication of interest in connection with the IPO, in amounts ranging from 10% to 47.9% of the total IPO size (including any concurrent private placement financing).



Directed Share Program

Directed share programs allow companies to reserve a certain number of shares in the IPO for purchase by individuals who may otherwise not receive an allocation in the deal, such as directors, officers, employees, family members, consultants, customers, suppliers, and other business partners. If a company decides to offer a directed share program, it is typical for the underwriters to reserve up to 5% of the deal and to permit the company to designate the list of participants.

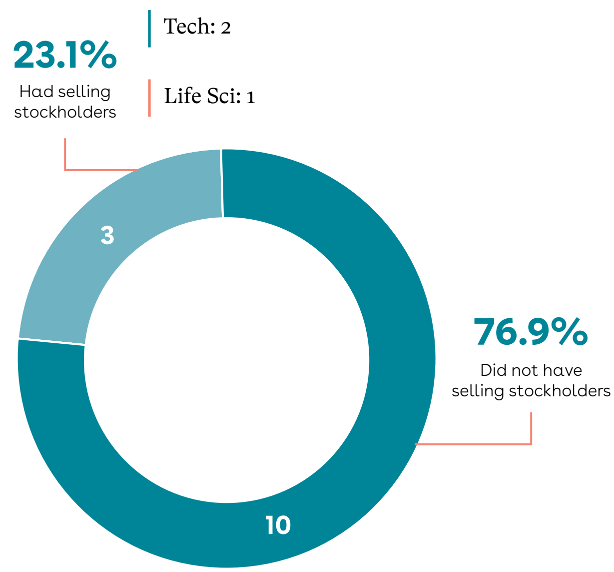
Of the 13 companies surveyed in this report, five companies, including one technology company surveyed and four life sciences companies, had directed share programs.



Selling Stockholders

Certain companies will allow current stockholders to sell a portion of their shares in the IPO. These shares are included in and registered on the S-1 as part of the offering. Some companies may be bound by contractual rights to register shares for certain stockholders and other companies may want to provide liquidity for certain stockholders, including employees or investors. The portion of the total deal size accounted for by selling stockholders can vary greatly for many reasons, including market conditions, existing contractual rights, and the needs of the company.

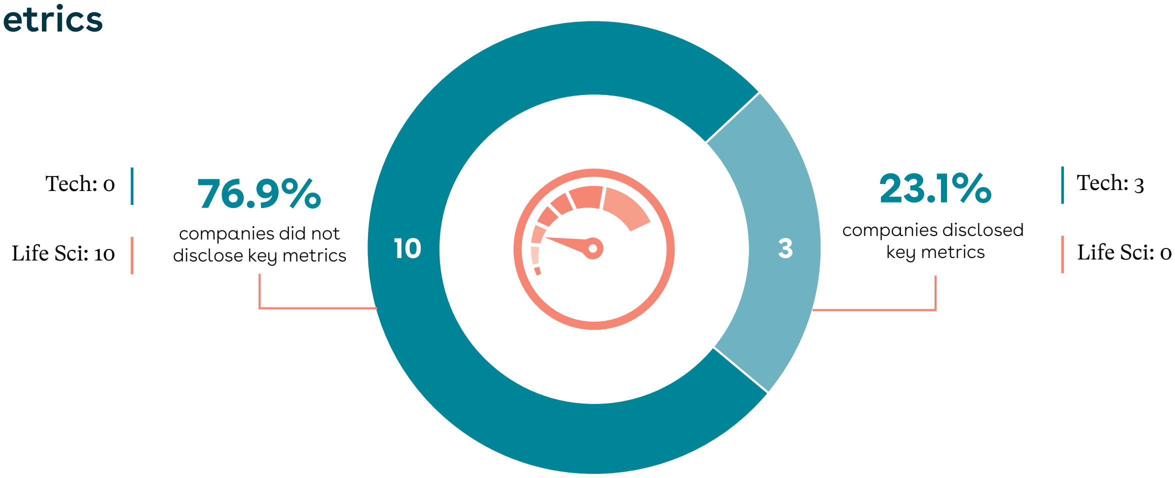
Of the 13 companies surveyed in this report, two technology companies and one life sciences company included selling stockholders.



Key Metrics and Non-GAAP Financial Measures

In addition to presenting financial results in accordance with generally accepted accounting principles (GAAP), many revenue-generating companies track and disclose certain key metrics and non-GAAP financial measures. These measures are uncommon for pre-revenue life sciences companies.

Key Metrics



Technology and life sciences companies that elect to disclose key metrics commonly reference similar quantitative and qualitative factors in their disclosures. Of the 13 companies surveyed in 2023, all three of the technology companies reviewed disclosed the use of key metrics.

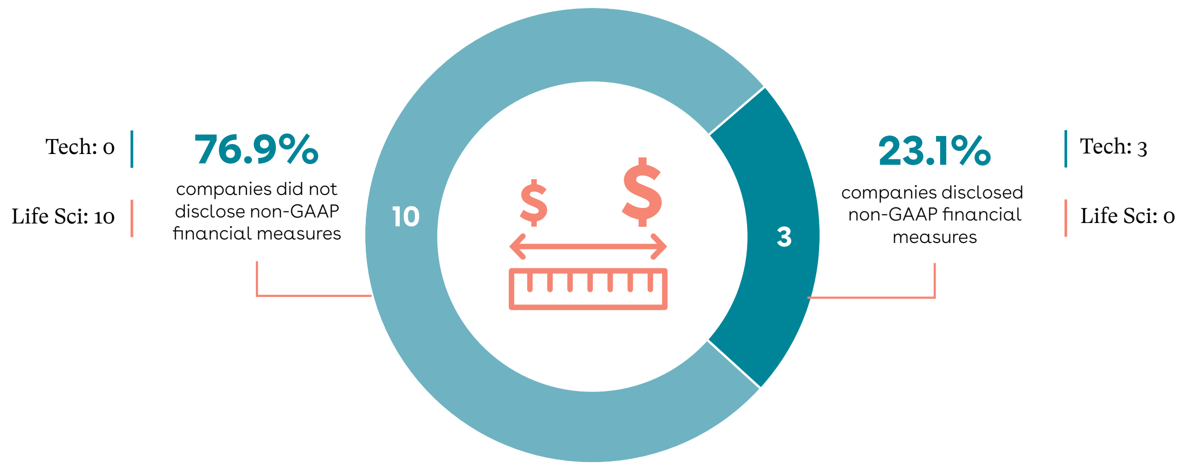
Technology companies may use key metrics such as:

- Revenue-focused metrics such as annual recurring revenue (ARR), bookings, remaining performance obligations, and revenue per customer
- Customer-focused metrics such as number of active customers, paying customers, and customers generating significant ARR
- Retention-focused metrics such as dollar-based net retention rate
- Volume-focused metrics such as number of transactions or orders

For life sciences companies, key metrics are generally less common, but may include:

- Revenue per case
- Number of placements
- Systems installed
- Utilization rate

Non-GAAP Financial Measures



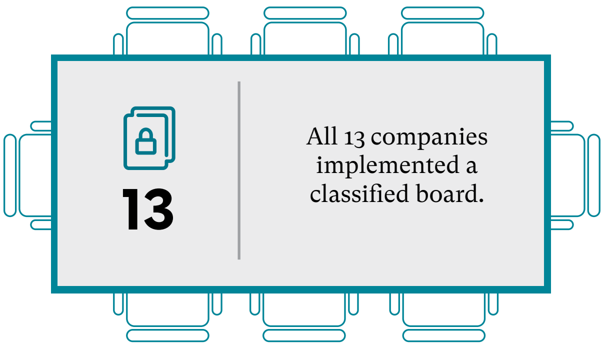
Technology and life sciences companies that elect to disclose non-GAAP financial measures commonly reference quantitative factors in their disclosures.

For the companies included in this report that disclosed non-GAAP financial measures, all of which were technology companies, measures included:

- Non-GAAP operating income
- Non-GAAP operating margin
- Free cash flow
- Free cash flow margin
- Adjusted EBITDA
- Adjusted operating expense
- Non-GAAP gross profit
- Non-GAAP net income

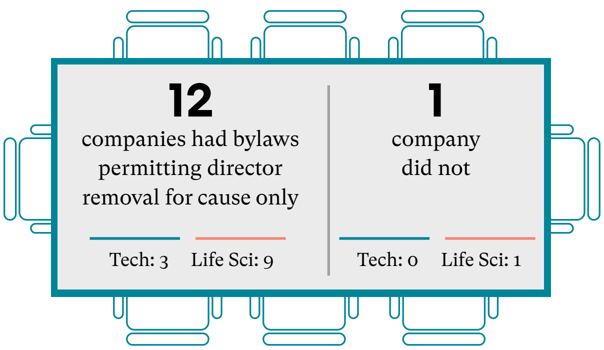
Defensive Measures

We reviewed defensive measures adopted by newly listed companies to prevent hostile takeovers. The below results reflect the provisions that will be in place once any provisions with additional protections for the controlling stockholders fall away. Of the 13 companies considered:



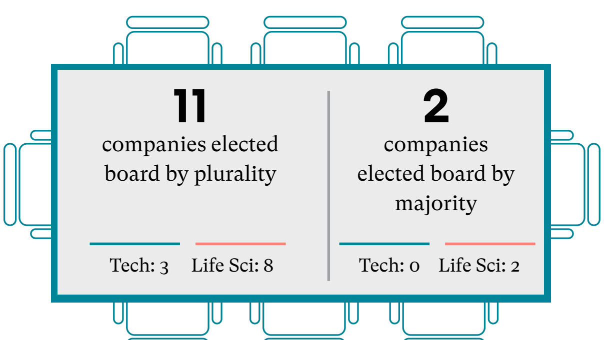
Classified Boards

For companies implementing a classified board in connection with the IPO, director elections will be staggered over a three-year period after the IPO, with approximately one-third of the directors subject to reelection each year.



Director Removal for Cause Only

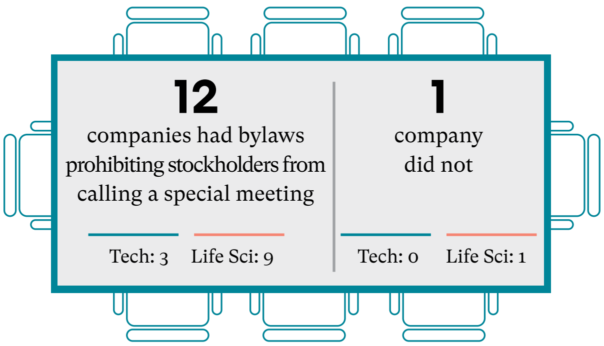
According to Delaware law, examples that constitute cause for removal of directors include malfeasance in office, gross misconduct or neglect, false or fraudulent misrepresentation inducing the director's appointment, willful conversion of corporate funds, breach of the obligation of full disclosure, incompetency, gross inefficiency, or moral turpitude.



Board Elected by Majority or Plurality

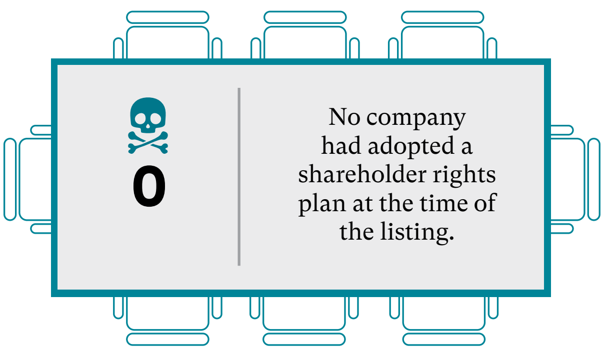
If the board is selected by a plurality of votes cast, the winners are the nominees who receive the most votes regardless of whether that is more than 50% of the votes cast. If the board is elected by a majority of the votes cast, a nominee must receive more than 50% of the votes cast in order to be elected.

Defensive Measures



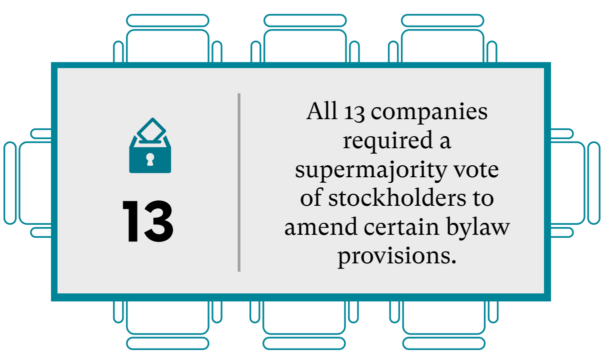
Stockholder Ability to Call Special Meeting

The typical provision in a company's bylaws provides that a special meeting may only be called by the chairperson of the board, the CEO, or the president (in the absence of a CEO).



Shareholder Rights Plan (Poison Pills)

A shareholder rights plan, also known as a "poison pill," acts as a defensive measure against hostile takeovers by making a company's stock less attractive to an acquirer.

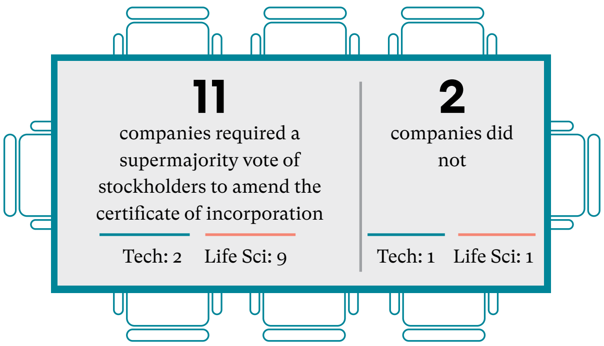


Supermajority Stockholder Vote Required to Amend Bylaws

More than a simple majority of the issuer's outstanding stock is required to amend this governing document.

Of the 13 companies surveyed, although all require a supermajority vote by default, one technology company requires only a majority vote for amendments that have been recommended by the board.

Defensive Measures

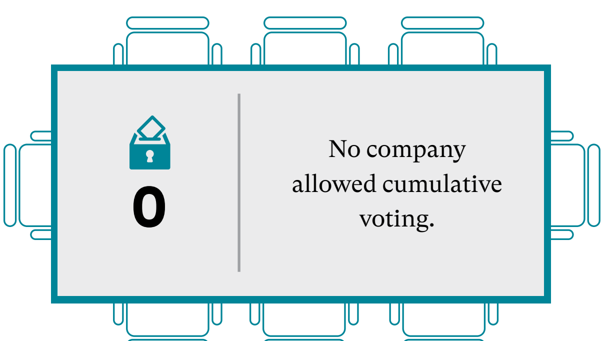


Supermajority Stockholder Vote Required to Amend Certificate of Incorporation

More than a simple majority of the issuer's outstanding stock is required to amend all or certain sections of this governing document.

Blank Check Preferred

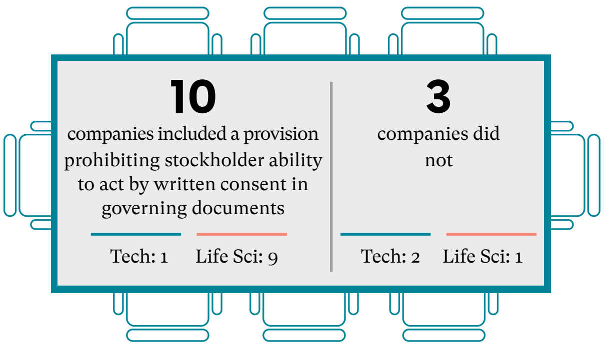
A certificate of incorporation authorizing blank check preferred allows the board of directors, without further stockholder approval, to issue preferred stock in one or more series and determine the rights, preferences, and privileges of the preferred stock issued (e.g., rights to voting, dividends, redemption, etc.).



Cumulative Voting

Cumulative voting is a method of voting for a company's directors. Each stockholder holds a number of votes equal to the number of shares owned by the stockholder, multiplied by the number of directors to be elected.

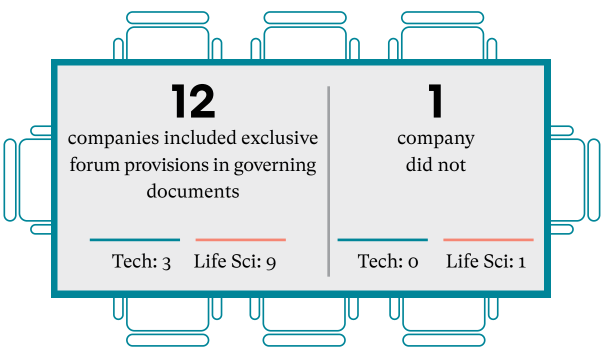
Defensive Measures



Stockholder Ability to Act by Written Consent

If companies do not permit stockholders to act by written consent, any action requiring stockholder approval must occur at a stockholder meeting.

Of the three companies surveyed that permit action by written consent, one technology company only allows written consent until such time that the company's primary stockholder ceases to hold a majority of voting power.



Exclusive Forum Provisions

Companies may include exclusive forum provisions in their governing documents requiring that certain types of litigation (such as derivative suits brought on behalf of the company, claims of breach of fiduciary duty, claims arising pursuant to any provision of the Delaware General Corporation Law, or claims governed by the internal affairs doctrine) be brought solely and exclusively in the Court of Chancery of the State of Delaware (or another specified forum).

Companies may also include exclusive forum provisions in their governing documents requiring that U.S. federal district courts be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act.

Of the 12 companies surveyed that included exclusive forum provisions, all of them include exclusive forum provisions for certain types of litigation as well as for causes of action under the Securities Act.

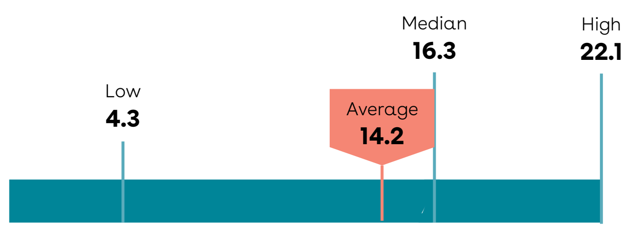
Filing Information

Technology Issuers

Number of Years from Inception to Listing

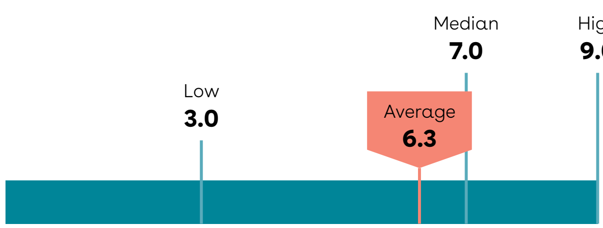
Months in Registration

Represents the number of months between the initial submission or filing of the registration statement and the effective date of the registration statement.



Number of Confidential Submissions

Represents the number of confidential draft registration statements submitted to the SEC before the public filing of the registration statement.



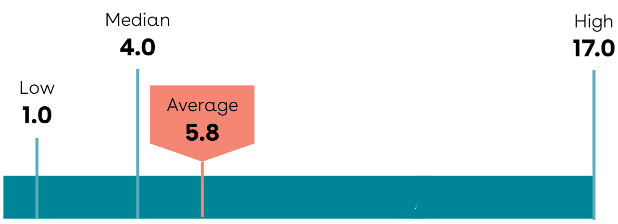
Days Between Public Filing and Roadshow

Represents the number of days between the public filing of the registration statement and the filing of the preliminary prospectus with the SEC containing a price range, which typically coincides with the start of the roadshow, where the company's executive management will meet with potential investors to gauge interest in the offering. SEC rules require a minimum of 15 days between these two events.

Filing Information

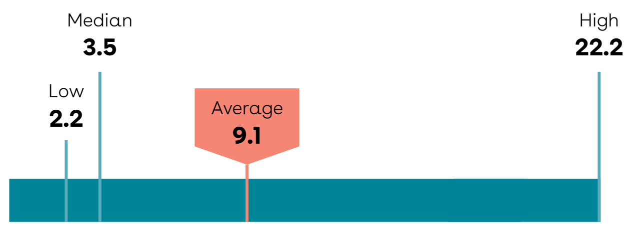
Life Sciences Issuers

Number of Years from Inception to Listing



Months in Registration

Represents the number of months between the initial submission or filing of the registration statement and the effective date of the registration statement.



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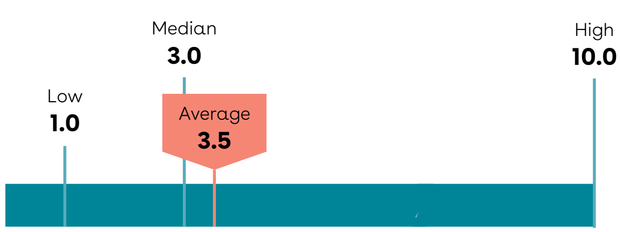

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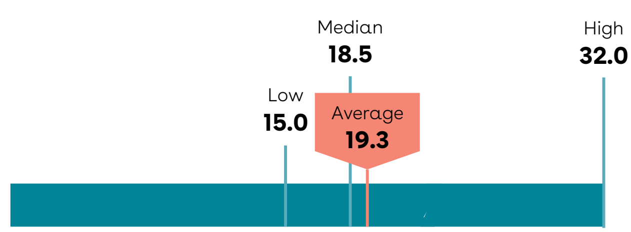

IPO Fees and Expenses

Total Legal Fees

	Low	High	Median	Average
All Values	**$1,100,000**	**$5,013,000**	**$2,100,000**	**$2,548,446**
Technology	$2,900,000	$5,013,000	$4,170,795	$4,027,932
Life Sciences	$1,100,000	$3,300,000	$2,000,000	$2,104,600

Total Underwriter Compensation

	Low	High	Median	Average
All Values	**$5,600,000**	**$37,800,000**	**$19,687,500**	**$20,358,932**
Technology	$32,221,440	$36,300,000	$35,112,000	$34,544,480
Life Sciences	$5,600,000	$37,800,000	$15,472,450	$16,103,267

Total Accounting Fees

	Low	High	Median	Average
All Values	**$700,000**	**$2,159,067**	**$1,270,000**	**$1,357,618**
Technology	$1,617,000	$2,159,067	$1,740,488	$1,838,852
Life Sciences	$700,000	$1,810,000	$1,200,000	$1,213,248

Printing Fees

	Low	High	Median	Average
All Values	**$161,189**	**$1,000,000**	**$326,188**	**$445,783**
Technology	$161,189	$634,000	$326,188	$373,792
Life Sciences	$200,000	$1,000,000	$347,500	$467,380

Appendix A: Technology and Life Sciences Company IPOs*

Technology

- Klaviyo, Inc. (NYSE) 09/19/2023
- Maplebear Inc. (Instacart) (NasdaqGS) 09/18/2023
- Nextracker Inc. (NasdaqGS) 02/08/2023

Life Sciences

- Acelyrin, Inc. (NasdaqGS) 05/04/2023
- Apogee Therapeutics, Inc. (NasdaqGM) 07/13/2023
- CARGO Therapeutics, Inc. (NasdaqGS) 11/09/2023
- Lexeo Therapeutics, Inc. (NasdaqGM) 11/02/2023
- Mineralys Therapeutics, Inc. (NasdaqGS) 02/09/2023
- Neumora Therapeutics, Inc. (NasdaqGS) 09/14/2023
- RayzeBio, Inc. (NasdaqGM) 09/14/2023
- Sagimet Biosciences Inc. (NasdaqGM) 07/13/2023
- Structure Therapeutics Inc. (NasdaqGM) 02/02/2023
- Turnstone Biologics Corp. (NasdaqGM) 07/20/2023

* IPOs below $75 million were excluded from this report.

About Wilson Sonsini

Wilson Sonsini is the premier firm advising technology, life sciences, and other high-growth companies seeking to raise capital through the issuance of equity, equity-linked, and debt financial instruments. The firm also provides counsel to leading private equity and growth equity funds, as well as other financial sponsors, in buyout and investment transactions. Wilson Sonsini is consistently ranked by *Bloomberg, Thomson Reuters,* and *CapitalIQ* as a leading advisor to companies and underwriters based on the number of completed IPOs and equity and equity-linked offerings.

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