

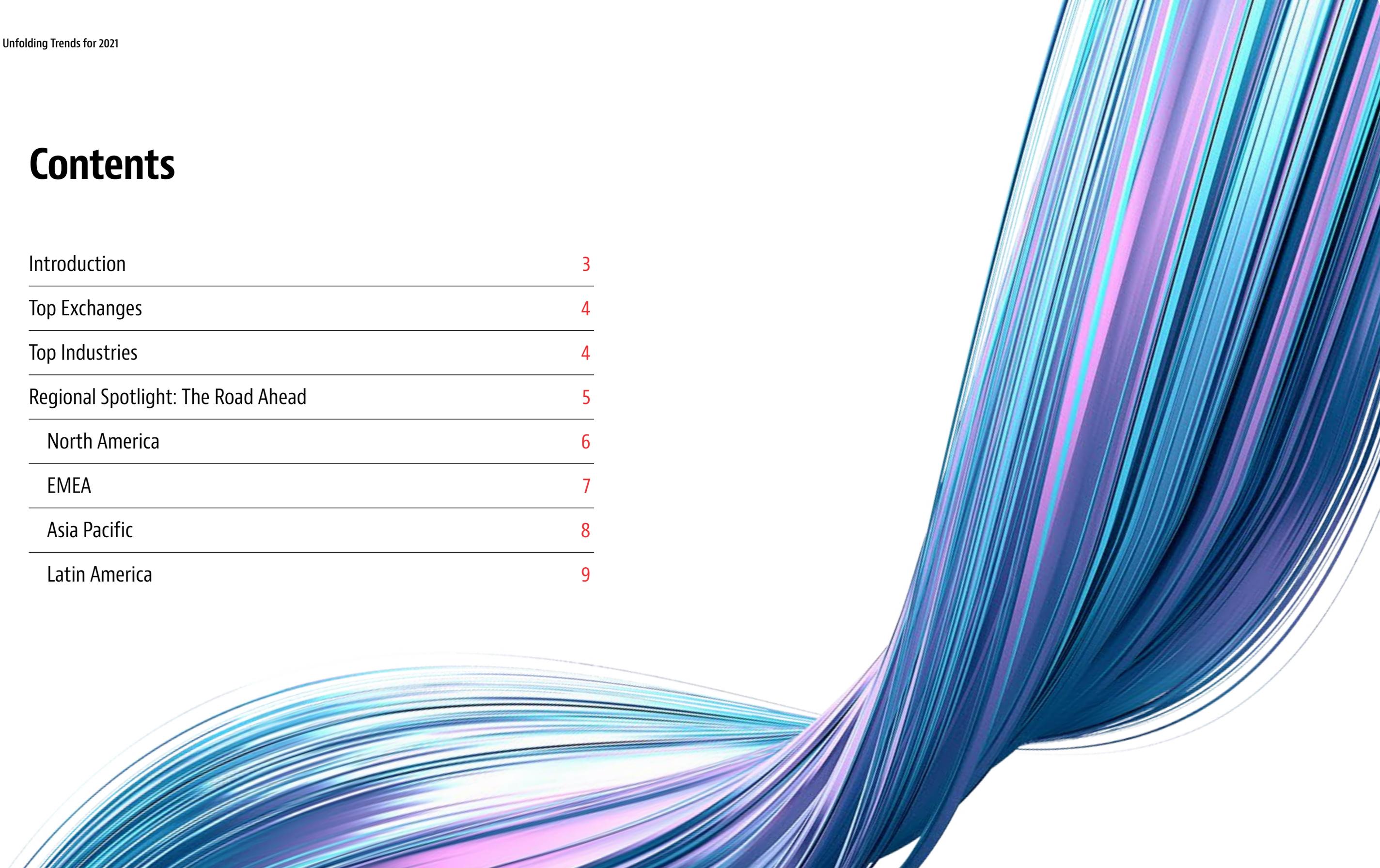
**「H1 IPO Snapshot:
Unfolding Trends for 2021」**

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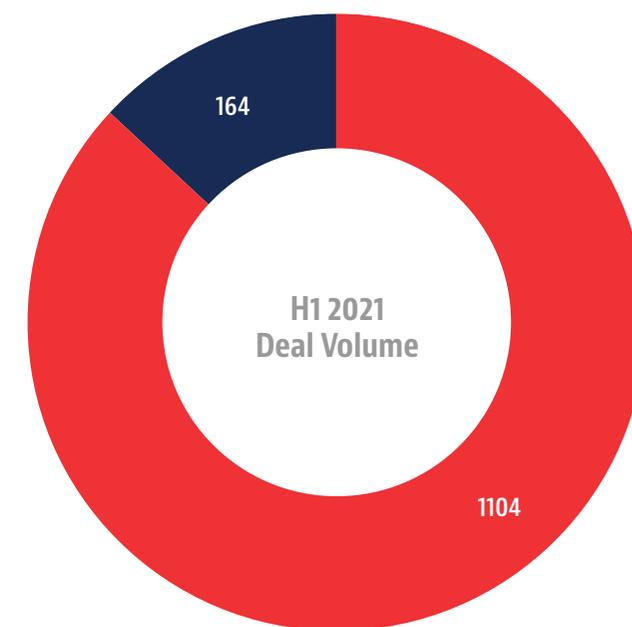
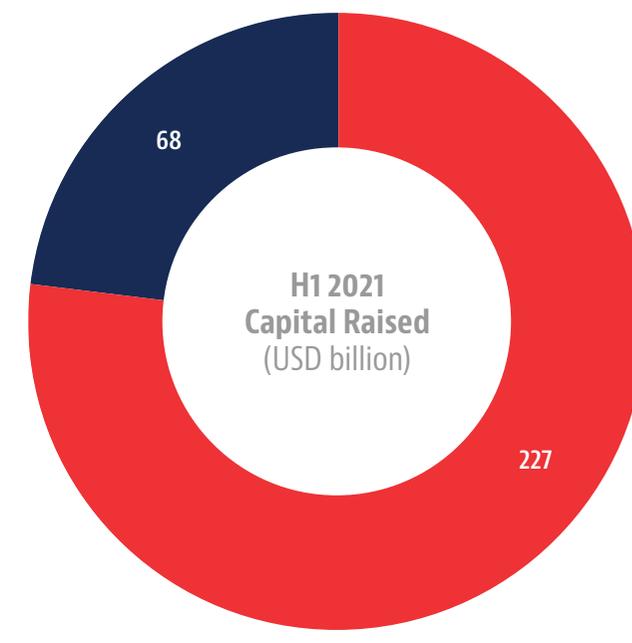
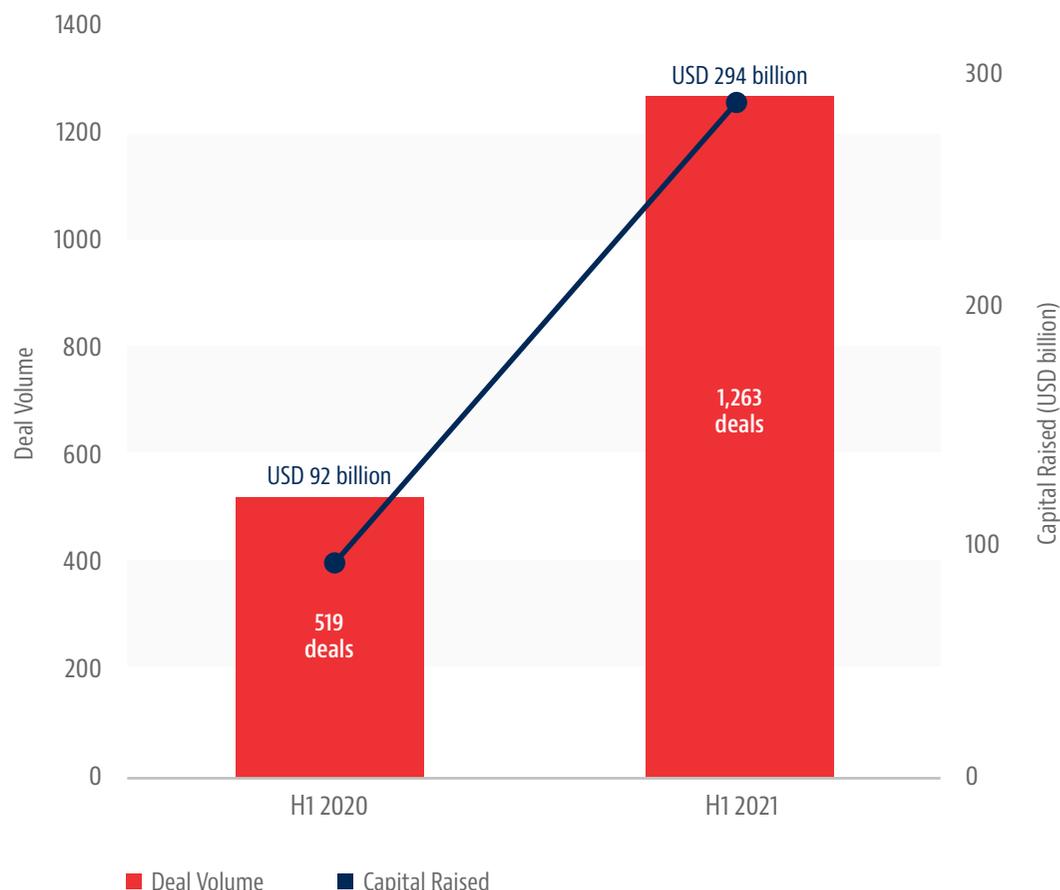


H1 2021 saw a surge in IPO activity, driven by high liquidity, investor enthusiasm and the rise of SPACs. Capital raising during H1 2021 reached historic highs at over USD 290 billion, the first time that over USD 200 billion was raised during the first half of any year. This reflects a 220% year-on-year increase in capital raising. Deal volume also grew at a strong 143% year-on-year (to 1,263 deals).

Domestic IPOs dominated the landscape, accounting for 77% of all public listings during 2021 so far. US- and China-based issuers led the pack with 424 and 211 listings, respectively, followed by Canada (63), Australia (60), and Japan (53).

Cross-border activity also grew, with volume increasing by 91% year-on-year and value increasing by 232% year-on-year. The strong recovery of Mainland China's economy provided a boost in cross-border listings to Hong Kong and the US.

H1 IPO Activity (2020 vs 2021)



All data is correct as of 4 June 2021. Figures are rounded to the nearest percentage point, USD million or USD billion.





Top exchanges

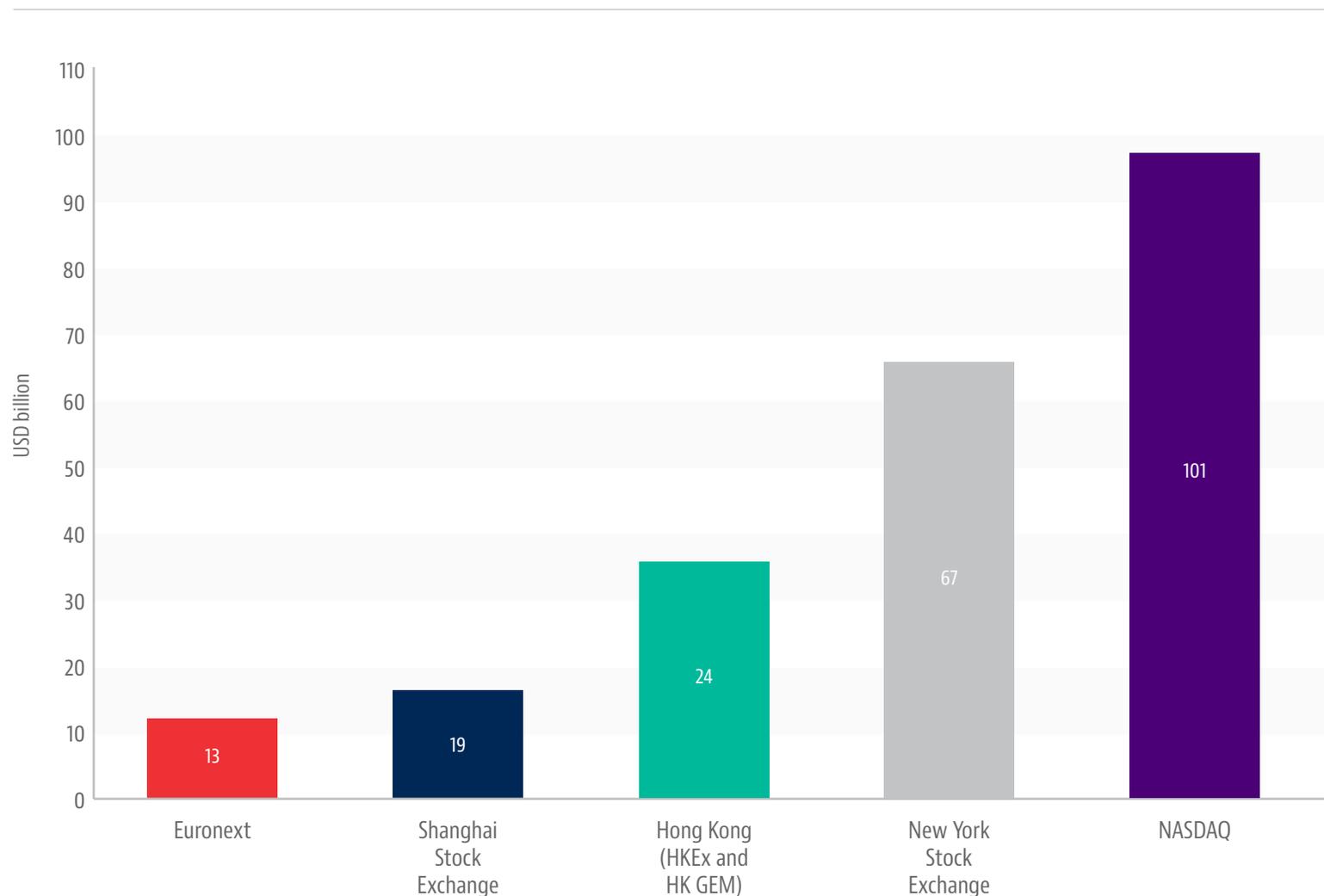
The Nasdaq and the NYSE were the top exchange destinations in H1 2021, raising over USD 160 billion across 519 IPOs. Over 80% of IPO issuers were US-based.

Continued growth in Mainland China domestic listings bolstered the performance of the Shenzhen and Shanghai exchanges. Other strong performers included the ASX, TSX (mainboard, TSXV and NEX Board), Japan Exchange Group, KRX and HKEx (mainboard and GEM). Euronext Amsterdam was boosted by two cross-border megadeals, worth over USD 1 billion each, bringing capital raising for Euronext to over USD 4 billion for the first time since 2018.

Top industries

The financial sector led in terms of value (USD 124 billion raised) and volume (455 deals), most notably due to the number of SPAC IPOs, with over 350 SPACs going public to raise USD 103 billion. High Technology and Healthcare came in second and third in the rankings for both value and volume, as the COVID-19 pandemic helped to drive investments into these sectors, particularly in Mainland China.

Top Exchanges (Overall, Capital raised in USD billion)





Regional Spotlight: The Road Ahead

All regions saw a significant boost in public listings, driven primarily by domestic IPOs.

The most significant increase in terms of value and volume were recorded in North America, Asia Pacific and EMEA. This section breaks down key figures from H1 2021 and what to expect on the road ahead.



North America



H1 2021 In Review



North America saw a **significant increase in both value and volume**, with **domestic value** increasing by

317%

year-on-year and **domestic volume** up by **320% year-on-year**, driven by the SPAC surge



The SPAC boom continued in H1 2021, **with 332 SPACs going public** (excluding pipelines), raising

USD 98 billion

compared to **248 SPAC IPOs** during all of 2020



89% of all Q1 SPACs (**275 out of 310 deals**) came from **US and Canadian issuers**



Over **98%** of US issuers **listed domestically**

Trend Watch

The Capital Markets Under a Biden Administration

The US capital markets landscape is expected to shift in the coming months, due to a new US administration and SEC chair.

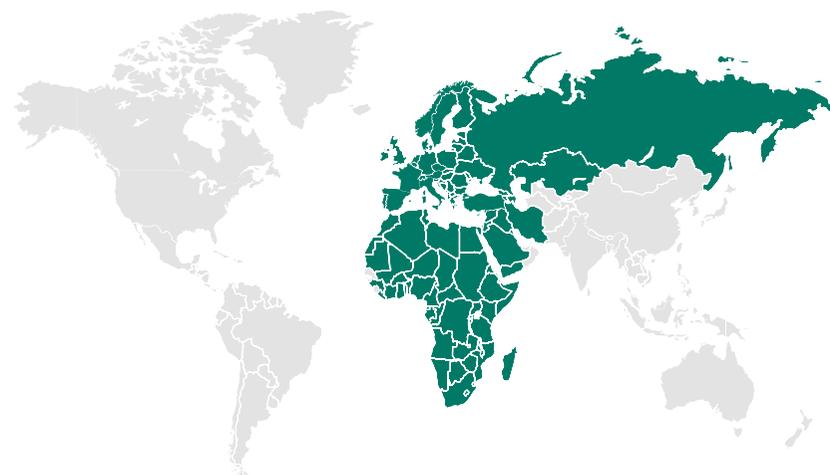
Various regulatory and disclosure changes are considered likely, including an increased focus on ESG reporting requirements (including DEI disclosures), closer scrutiny of SPACs and more enforcement proceedings by the SEC. Although SPACs lost their Q1 momentum in Q2, there could be a pick up later in the year. The number of de-SPAC transactions is also likely to increase due to the large number of existing SPACs seeking acquisition targets.

Direct Listings Could Influence the Future of Traditional IPOs

In December 2020, the SEC approved the NYSE's proposal to allow primary direct listings as an alternative means of capital raising, and in May, a similar proposal by Nasdaq was also approved. These changes may impact how companies will choose to go public, with direct listings offering an alternative route to market from traditional IPOs.



Europe, Middle East & Africa



H1 2021 In Review



Domestic value grew by **363%** year-on-year domestic volume is up by **303% year-on-year**



The LSE saw a **467%** year-on-year increase in the number of **initial public offerings**



Euronext has seen **two mega cross-border deals**, worth over **USD 1 billion** both of which **were listed on Euronext Amsterdam**. **These two deals boosted** Euronext to **4th** place globally in terms of cross-border IPO capital raising



The **LSE has seen a significant IPO boom**, with a **575%** increase in **domestic IPO volume** and **300% increase in cross-border IPO volume**

Trend Watch

Post-Brexit London Looks to Reform Listing Regime

In March, Lord Hill's **review of the UK's listing regime** was published in an effort to help the LSE gain a more competitive edge against other exchanges in a post-Brexit environment and attract listings from high-growth sectors such as life sciences and technology. The recommendations aim to streamline the existing IPO process and propose removing (subject to certain conditions being met) the automatic suspension of a SPAC's listing once it identifies a potential acquisition target. One development to watch out for will be whether the LSE becomes a more attractive listing venue for SPACs among sponsors and investors as a result.

The Outlook for SPACs on Euronext

Euronext Amsterdam is fast becoming the European venue of choice for SPACs, with the Frankfurt Stock Exchange and Nasdaq Nordic Stockholm also seeing increased activity.



Asia Pacific



H1 2021 In Review



Over

60%

increase in **domestic listing capital** raising **(66%)** and number of deals **(67%)**



Over

85%

of Chinese issuers **chose to list on domestic exchanges**



Cross-border IPOs raised

USD 24 billion

(across **39** deals), **up from USD 12 billion in H1 2020** (across 51 deals)



Of the

60

cross-border IPOs from China, 27 issuers chose the NASDAQ and the NYSE, while the rest went to **the HKEx for their public debut**

Trend Watch

Potential Tailwinds for the HKEx

There is an expectation that the HKEx's robust listing activity will continue into the second half of 2021 due to ample market liquidity and the exchange's ongoing efforts to **streamline the IPO process** and develop Hong Kong as a listing and capital raising hub for major global and regional companies. In addition, market sentiment around the United States' recently enacted Holding Foreign Companies Accountable Act, which enforces set auditing requirements for foreign companies listed in the US, could further increase Hong Kong's attractiveness as a listing destination for Mainland China-based issuers for both their primary and secondary listings.

The Outlook for SPACs in Asia Pacific

In light of growing interest from companies and investors in Asia Pacific around SPACs, both Hong Kong and Singapore are exploring amendments to their listing rules to allow for this type of listing. It remains to be seen which exchange will become the region's go-to for SPACs and whether Asia Pacific will be the next to see the SPAC boom. What is more certain is that existing SPACs will increasingly look to target Asia Pacific companies to complete business combinations as the number of quality targets in domestic markets begins to dwindle.



Latin America



H1 2021 In Review



Over
220%
 increase in capital raised
 between H1 2021
 and H1 2020



Domestic IPO
 volume grew
350%
 to **27 deals**, raising
USD 6.3 billion



The top exchange in Latin America was
Brazil's B3, which raised
USD 6.1 billion over
27 deals
 The exchange grew **592% in capital raised**
 and **440% in deal volume**, up from **5 deals** and
USD 875 million for H1 2020

Trend Watch

Brazil Remains Top Destination for IPOs in Latin America

Following a notable year for IPO activity in Brazil, which in 2020 recorded its largest number of IPOs since 2007, the B3 stock exchange remains the top exchange in Latin America. Despite continued disruption from the COVID-19 pandemic, predictions for this year's pipeline point to a potentially more robust 2021.

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