WILSON SONSINI

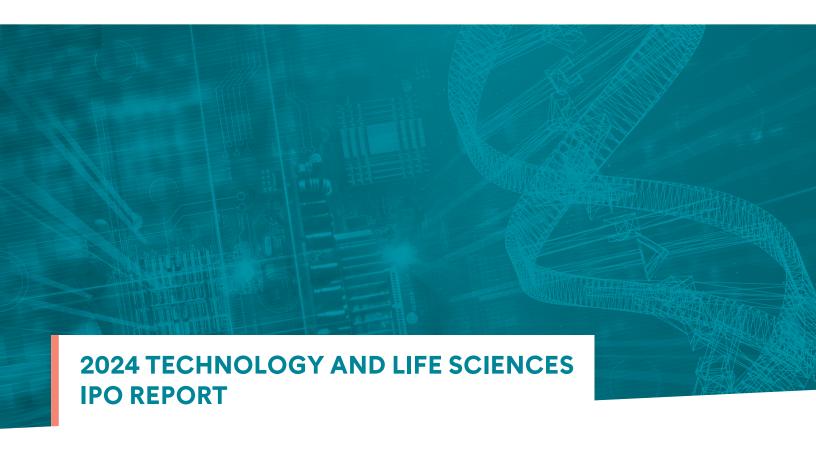


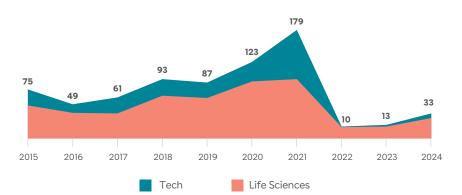
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Introduction

Wilson Sonsini's 2024 Technology and Life Sciences IPO Report presents analysis related to 33 initial public offerings (IPOs) completed by U.S.-based technology and life sciences companies between January 1 and December 31, 2024. The report is limited to IPOs valued at over \$75 million.

While overall IPO activity remains significantly lower than it was during the pandemic-era IPO boom, 2024 saw almost a threefold increase in deal volume compared to the last couple of years. As macroeconomic conditions and market sentiment appeared to stabilize, the IPO market continued to gain traction in 2024. Although the impact of the recent change in administration on macroeconomic factors, the regulatory environment, and investor sentiment are uncertain, at least in the near term, many companies are taking steps now to ensure they are ready to act when the time is right. Here is a look at IPO activity over the past decade:



Year	Taskaslasu	Life Sciences
rear	Technology	Life Sciences
2024	8	25
2023	3	10
2022	1	9
2021	86	93
2020	34	89
2019	27	60
2018	29	64
2017	28	33
2016	15	34
2015	28	47

Overview of 2024 IPO Activity

Technology

Eight technology companies priced IPOs with deal values above \$75 million during 2024. Software led all technology sub-sectors in 2024, with four IPOs.

Consistent with the pattern from recent years, technology deals lagged behind life sciences deals during 2024; however, technology IPOs generated larger deal values. Of the eight technology IPOs, five had a total deal value exceeding \$500 million. Another two had a total deal value between \$250 and \$500 million.

Life Sciences

Twenty-five life sciences companies priced IPOs with deal values above \$75 million during 2024. Of the 25 life sciences IPOs, 17 were therapeutics companies in the biotechnology or pharmaceuticals sector.

Despite having a larger number of IPOs, deal values for life sciences companies were generally lower than for technology issuers. Of the 25 life sciences IPOs, three had a total deal value over \$500 million and seven had a total deal value between \$250 and \$500 million. Almost half of the life sciences IPOs in 2024 had a total deal value between \$75 and \$200 million.

The data included in the report was obtained from final IPO prospectuses, as well as 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 2024 Technology and Life Sciences IPO Report. The partners on the team included Shannon Delahaye, Andrew Gillman, Lauren Lichtblau, and Michael Nordtvedt, with additional contributions from Heath DeJean and Samantha Pelto.

For more information on corporate governance trends across publicly traded Silicon Valley companies, read Wilson Sonsini's <u>2024 Silicon Valley 150 Corporate Governance Report</u>.

Please feel free to share your comments or questions about IPOs or direct listings by contacting Michael Nordtvedt (<u>mnordtvedt@wsgr.com</u>) or any other Wilson Sonsini capital markets partner.

What Can We Do Now? Considerations for Late-Stage Private Companies

We continue to see companies who have previously shelved their IPO plans considering starting them up again and we have observed an uptick in other companies considering initiating processes. In addition to general market conditions, a number of considerations will 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 now to maximize your chance of taking full advantage of your optimal IPO window when it opens up.

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-thewaters" (TTW) meetings have taken on enhanced significance in the current market. Companies will want to update investors on their business early and often—whether that's kicking off 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 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, were commonly behind 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 operating public companies.

Key Considerations Checklist

- Leverage investor education to build momentum and stabilize post-IPO stock prices
- Enhance controls and systems early to avoid delays and compliance issues during the IPO process
- Identify necessary updates to your company's post-IPO governance structure to comply with SEC standards
- If planning a private funding round before an IPO, identify and address potential obstacles such as deal terms and consent rights that could affect the IPO

Consider Post-IPO Governance Structure

Public companies are subject to extensive corporate governance standards imposed by the 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. Experienced public company directors are often in high demand, and it can take time to recruit directors that not only have the required qualifications but are also a good fit from an industry, cultural, and/or interpersonal perspective.

In addition, <u>dual- and multi-class voting structures</u> among technology companies still remain popular. Five of the eight technology companies surveyed in 2024 implemented dual or multi-class stock. 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. We expect investors to continue to focus on a clear path to profitability as well as other nongrowth 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, as missing forecasts can lead to disproportionate stock price

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

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*

"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 2024
demonstrate advanced progress
in the company's development
pipeline."

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. A majority of the therapeutics company IPOs in 2024 highlighted near-term (through 2025) 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 2024 demonstrate advanced progress in the company's development pipeline. Of the 17 pharmaceutical or biotechnology companies surveyed in this report, 13 companies (76.5%) 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

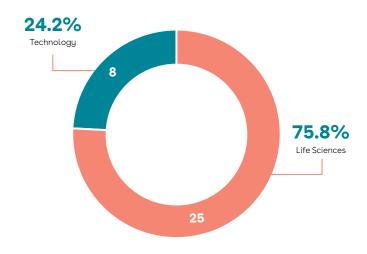
We continue to observe that life sciences companies which successfully completed their IPOs in 2024 typically have multiple programs in their pipeline. Of the 17 pharmaceutical or biotechnology companies surveyed in this report, 15 companies (88.2%) had more than one drug candidate in development.

Insider Participation

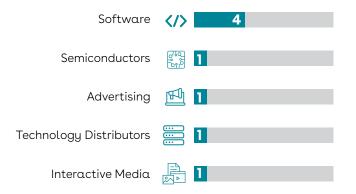
Life sciences IPOs, particularly those in the biotechnology space, are often seen as simply another financing event by the company, and the vast majority of biotechnology IPOs in recent years have included significant participation by company insiders to "anchor" the IPO. Of the 17 IPOs reviewed in the biotechnology or pharmaceuticals sectors, insiders purchased shares in 14 of them (82.4%), with such insiders purchasing between 0.7% and 36.7%, and an average of 10.7%, of the shares sold in the offering.

^{*} The data in this section is limited to life sciences companies in the biotechnology or pharmaceuticals sectors. Life sciences companies in other sectors are not included.

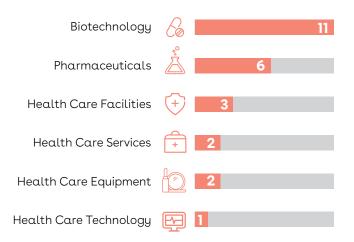
Technology vs. Life Sciences IPOs



Technology Sector Breakdown



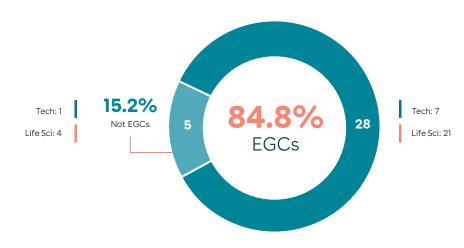
Life Sciences Sector Breakdown



Company Type

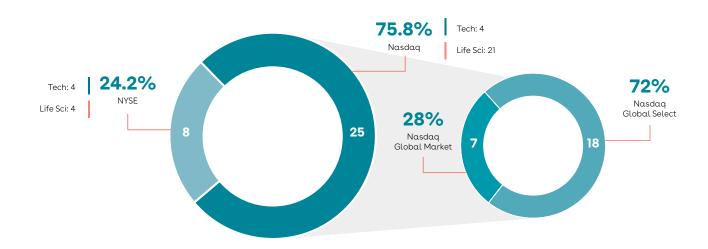
Emerging growth company (EGC) status affords an issuer the ability to enjoy certain reduced disclosure requirements, including providing fewer years of historical audited financials, reduced compensation disclosure, and reduced corporate governance requirements, particularly around internal controls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

Out of the 33 companies surveyed, 28 were EGCs and five were not EGCs.



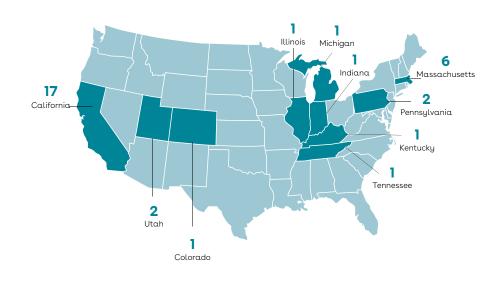
Exchange

Out of the 33 companies surveyed, 25 listed on Nasdaq, representing 75.8% of companies, while eight listed on the NYSE, representing 24.2% of companies.



Headquarters (U.S.)

The map below shows the headquarters location for the 33 companies reviewed in this report.



Headquarters (California)

Of the 17 companies with headquarters in California, 11 are based in Northern California and six are based in Southern California.

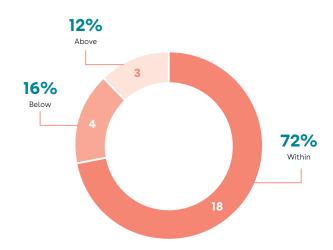


Comparison of Offer Price to Initial Price Range and to First Day Close

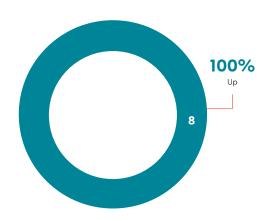
Technology Offer Price vs. Initial Price Range



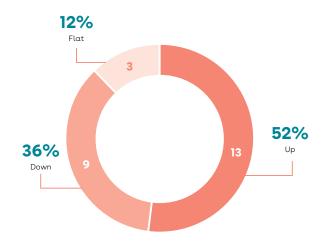
Life Sciences Offer Price vs. Initial Price Range



Technology Offer Price vs. First Day Close



Life Sciences Offer Price vs. First Day Close

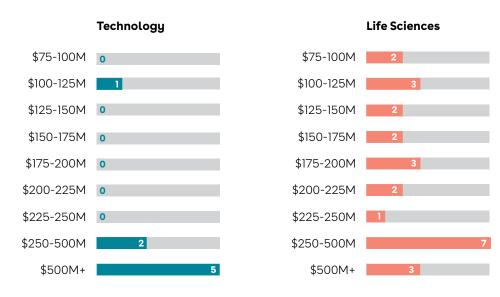


Deal Size Distribution and Closing Distribution by Quarter

Total IPO Deal Size (Gross)*

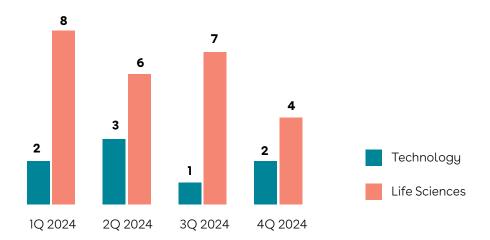
	Low*	High	Median	Average
Technology	\$114,000,000	\$752,000,000	\$601,070,000	\$553,517,500
Life Sciences	\$75,020,000	\$967,500,000	\$198,000,000	\$274,849,200
All Values	\$75,020,000	\$967,500,000	\$255,000,000	\$342,405,152

Size Distribution*



^{*} IPOs below \$75 million were excluded from this report.

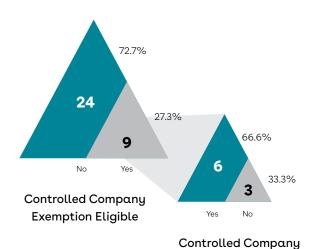
Closing Distribution by Quarter



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

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 33 companies surveyed in 2024, nine companies (27.3%) were controlled company exemption eligible. Of those companies, six (66.7%) used the controlled company exemption, while three (33.3%) did not.

Board Size and Director Independence

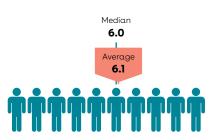
Exemption Used

The average number of directors on the board at listing was 7.8, and the median was 7.

Median

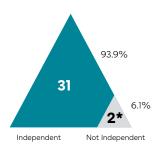
7.0

The average number of independent directors was 6.1, and the median was 6.



Number of Independent Board Members

31 of the 33 companies surveyed had a majority of independent directors on the board at listing.



Majority of Board of Directors/Independence

Total Number of

Board Members

^{*} The two companies that did not have a majority of independent directors on the board were controlled company exemption eligible.

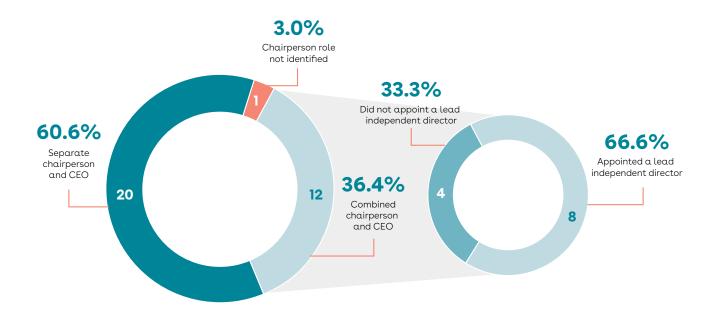
Board Chairpersons and Lead Independent Directors

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 33 companies surveyed, 20 companies (60.6%) had a separate chairperson and CEO, while 12 (36.4%) combined the chairperson and CEO role. One company (3.0%) did not identify a chairperson role or specify whether the chairperson and CEO roles were to be separate.

Of the 12 companies that combined the chairperson and CEO role, eight companies (66.6%) appointed a lead independent director, while four (33.3%) did not. Additionally, the one company that did not identify a chairperson role did not appoint a lead independent director.

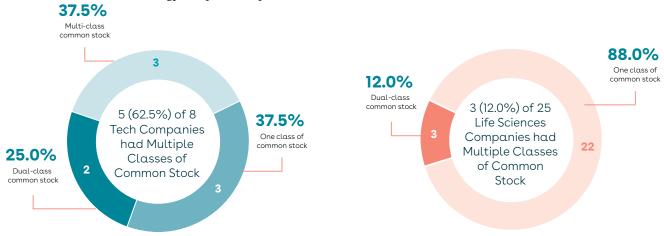


Ownership and Structure Factors

Multiple 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.

Of the 33 companies reviewed, eight companies (24.2%) had dual- or multi-class stock. Five of the eight companies implemented dual-class stock, and three technology companies implemented multi-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 eight companies that had multiple classes of common stock, six companies (75.0%) had a sunset provision.

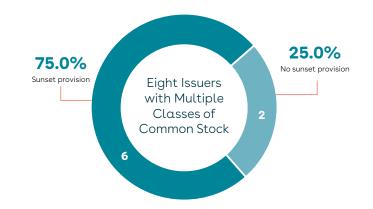
Of the six companies that had a sunset provision:

three were determined by time, event, or percentage

one was determined by time or percentage

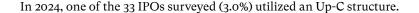
one was determined by time only

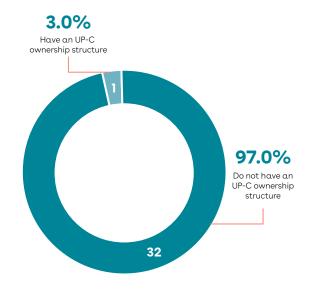
one was determined by percentage only



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.



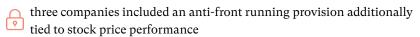


Early Lock-Up Release

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.

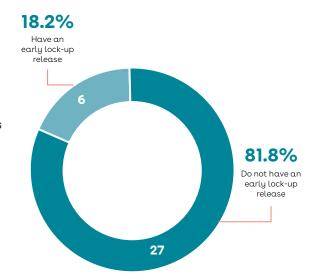
One type of early release provision is tied to stock price performance. That is, after a certain period of time, stockholders may sell a certain percentage of shares if the stock price meets a specified performance target. Some companies assert that this type of staggered release provision relieves the 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 or hardwired to occur after an upcoming earnings release 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 2024, six IPOs surveyed (18.2%) included an early lock-up release feature, of which:



one company included an anti-front running provision only two companies hardwired the lock-up to expire after an upcoming

earnings release



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. Historically, direct listings have been pursued by relatively established technology companies, often with significant brand awareness. In the current environment, however, there has been a significant shift to smaller, less established companies utilizing direct listing structures, and in 2024, all of the 33 companies we surveyed utilized traditional underwritten offerings.

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.

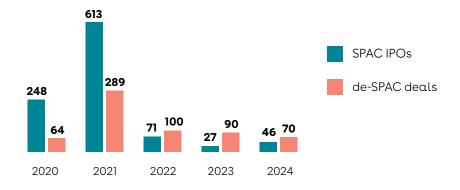
Special Purpose Acquisition Companies (SPACs)*

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 46 U.S.-headquartered SPAC IPOs priced in 2024—compared to 27 in 2023—and there were 70 de-SPAC deals in 2024.

Of the 70 de-SPAC deals in 2024, 15 (21.4%) involved technology companies, while 14 (20.0%) 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 over 40% of the de-SPAC deals from 2024, which is consistent with the prior year, where technology and life sciences companies combined to account for 38.9% of de-SPAC deals in 2023.

SPAC activity in the U.S. reached all-time highs in 2021, but has since cooled down significantly, as illustrated below:

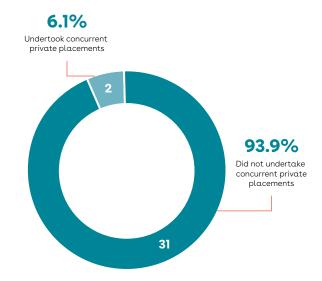


^{*} SPAC/de-SPAC transactions are not detailed in this report.

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 U.S. Securities and Exchange Commission (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.

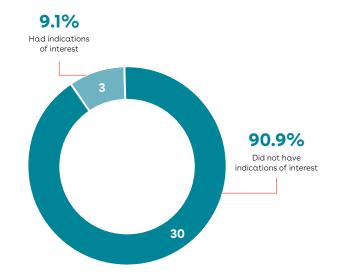
Of the 33 companies surveyed in this report, two life sciences companies (6.1%) conducted concurrent private placements valued at 5.1% and 11.7% of the size of the respective IPO and private placement combined.



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.

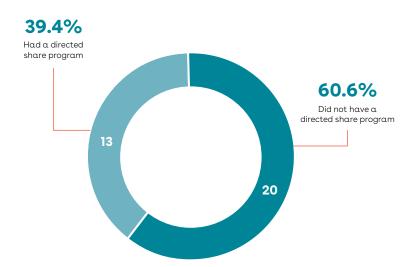
Of the 33 companies surveyed in this report, three companies (9.1%) discussed an indication of interest in connection with the IPO, in amounts ranging from 15.0% to 23.3% of the total IPO size.



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 33 companies surveyed in this report, 13 companies (39.4%) had directed share programs.

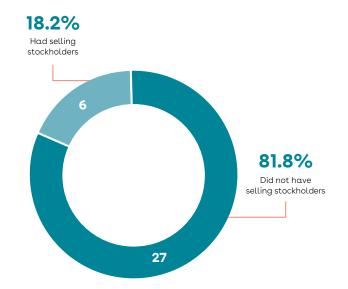


Selling Stockholders

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.

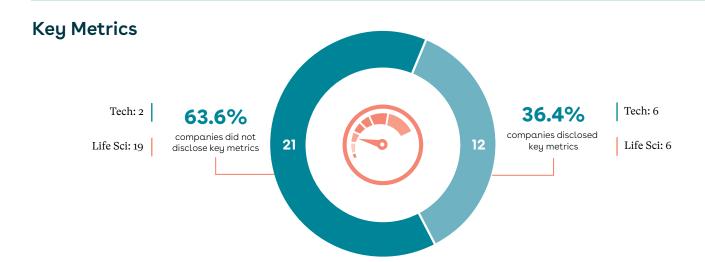
Of the 33 companies surveyed in this report, six companies (18.2%) included selling stockholders. Of these six companies, one company only included selling stockholders in the underwriters' overallotment option.

Direct listings also offer existing shareholders the option of selling some or all of their shares on the first day of trading. For more information, see the "Direct Listings" section on page 14 in this report.



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.



Technology and life sciences companies that elect to disclose key metrics commonly reference similar quantitative and qualitative factors in their disclosures. Of the 33 companies surveyed in this report, 12 companies (36.4%) disclosed the use of key metrics.



Technology companies may use key metrics such as:

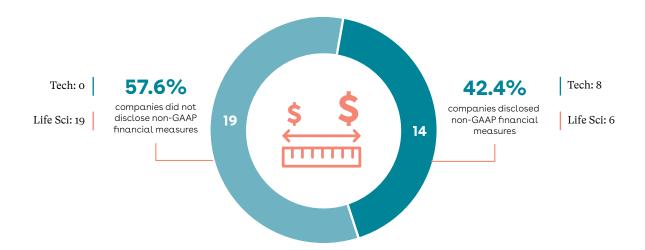


For life sciences companies, key metrics are generally less common, but may include:

- 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, orders or active customers

- Revenue per case
- Number of placements
- · Systems installed
- Utilization rate
- Generic medication efficiency rate
- Net promoter score (for companies providing healthcare services)

Non-GAAP Financial Measures



Technology and life sciences companies that elect to disclose non-GAAP financial measures commonly reference quantitative factors in their disclosures. Of the 33 companies surveyed in this report, 14 companies (42.4%) disclose the use of non-GAAP financial measures, including all eight of the technology companies surveyed.

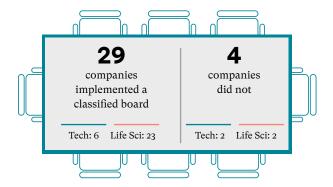




For both technology and life sciences companies included in this report, the most frequent measures were:

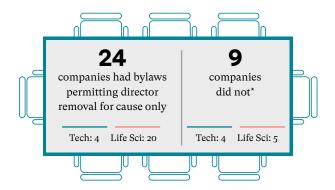
- Non-GAAP operating income
- Non-GAAP operating margin
- · Free cash flow
- Adjusted EBITDA
- Adjusted operating expense
- Non-GAAP gross profit
- Non-GAAP net income

We reviewed defensive measures adopted by newly listed companies to prevent hostile takeovers. Of the 33 companies considered in this report:



Classified Boards

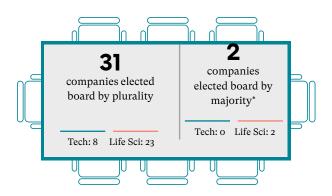
For companies implementing a classified board in connection with the IPO, director elections will be staggered over a three-year period after the IPO, with approximately one-third of the directors subject to reelection each year.



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.

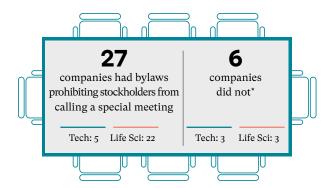
* Of the nine companies that do not provide for director removal for cause only, six companies nevertheless provide that directors can only be removed for cause once the beneficial ownership of specified controlling stockholders drops below a certain percentage.



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.

^{*} One company which elects board members by majority by default nevertheless provides that contested director positions will be elected by a plurality.



Stockholder Ability to Call Special Meeting

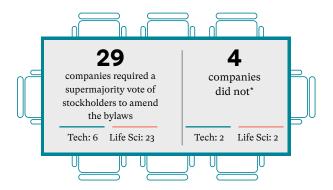
A typical provision in a company's bylaws provides that a special meeting may only be called by the board, the chairperson of the board, the CEO, or the president.

^{*} All six of the companies that allow stockholders to call a special meeting only allow it until such time as the beneficial ownership of specified controlling stockholders drops below a certain percentage.



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.

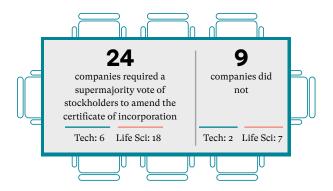


26 companies required a 66.67% vote to amend bylaws Tech: 6 Life Sci: 20



3 companies required a 75% vote to amend bylaws Tech: 0 Life Sci: 3

^{*} Of the four companies that do not require a supermajority vote at the time of their offering, three companies only allow a majority vote to amend until such time as the beneficial ownership of specified controlling stockholders drops below a certain percentage.



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.



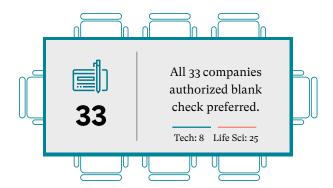
21 companies required a 66.67% vote to amend the certificate of incorporation

Tech: 6 Life Sci: 15



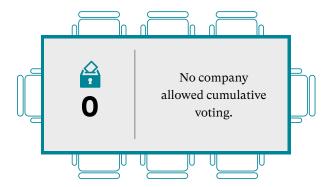
3 companies required a 75% vote to amend the certificate of incorporation $\,$

Tech: o Life Sci: 3



Blank Check Preferred

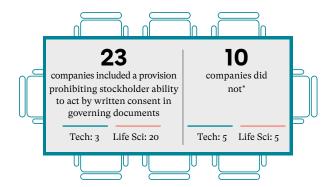
A certificate of incorporation authorizing blank check preferred allows the board of directors, without further stockholder approval, to issue preferred stock in one or more series and determine the rights, preferences, and privileges of the preferred stock issued (e.g., rights to voting, dividends,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

^{*} Of the nine companies that do not require a supermajority vote at the time of their offering, three companies only allow a majority vote to amend until such time as the beneficial ownership of specified controlling stockholders drops below a certain percentage.



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.



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 33 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.

^{*} Of the 10 companies that allow stockholders to act by written consent at the time of their offering, all of them permit action by written consent only until such time as either the beneficial ownership of specified controlling stockholders drops below a certain percentage, or until the company's dual-class stock sunsets.

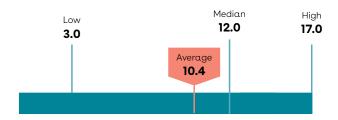
Filing Information

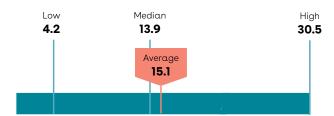
Technology Issuers

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.





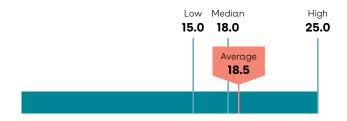
Number of Confidential Submissions

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.





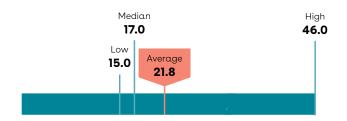
Number of Confidential Submissions

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.





^{*} These numbers omit one IPO with 225 days between public filing and roadshow.

IPO Fees and Expenses

Total Legal Fees

	Low	High	Median	Average
All Values	\$1,000,000	\$6,767,750	\$2,750,000	\$3,071,054
Technology	\$2,525,000	\$6,767,750	\$3,651,000	\$4,218,094
Life Sciences	\$1,000,000	\$5,250,000	\$2,500,000	\$2,704,001

Total Underwriter Compensation

	Low	High	Median	Average
All Values	\$5,251,400	\$53,212,500	\$17,850,000	\$20,601,059
Technology	\$7,980,000	\$41,736,000	\$34,502,248	\$30,750,687
Life Sciences	\$5,251,400	\$53,212,500	\$13,860,000	\$17,353,178

Total Accounting Fees

	Low	High	Median	Average
All Values	\$175,000	\$10,725,000	\$1,360,000	\$1,655,447
Technology	\$175,000	\$10,725,000	\$1,635,000	\$2,579,250
Life Sciences	\$400,000	\$2,423,123	\$1,206,000	\$1,359,831

Printing Fees

	Low	High	Median	Average
All Values	\$10,000	\$2,134,000	\$400,000	\$591,166
Technology	\$214,861	\$2,134,000	\$869,055	\$1,016,750
Life Sciences	\$10,000	\$1,430,130	\$385,000	\$454,979

Appendix A: Technology and Life Sciences Company IPOs*

Technology

- Astera Labs, Inc. (NasdaqGS) 03/19/2024
- Ibotta, Inc. (NYSE) 04/17/2024
- Ingram Micro Holding Corporation (NYSE) 10/23/2024
- Reddit, Inc. (NYSE) 03/20/2024

- Rubrik, Inc. (NYSE) 04/24/2024
- OneStream, Inc. (NasdaqGS) 07/23/2024
- ServiceTitan, Inc. (NasdaqGS) 12/11/2024
- Silvaco Group, Inc. (NasdaqGS) 05/08/2024

Life Sciences

- Alto Neuroscience, Inc. (NYSE) 02/01/2024
- Alumis Inc. (NasdaqGS) 06/27/2024
- Ardent Health Partners, Inc. (NYSE) 07/17/2024
- ArriVent BioPharma, Inc. (NasdaqGM) 01/25/2024
- Artiva Biotherapeutics, Inc. (NasdaqGM) 07/18/2024
- Bicara Therapeutics Inc. (NasdaqGM) 09/12/2024
- BioAge Labs, Inc. (NasdaqGS) 09/25/2024
- Boundless Bio, Inc. (NasdaqGS) 03/27/2024
- BrightSpring Health Services, Inc. (NasdaqGS) 01/25/2024
- Camp4 Therapeutics Corporation (NasdaqGM) 10/10/2024
- CeriBell, Inc. (NasdaqGS) 10/10/2024
- CG Oncology, Inc. (NasdaqGS) 01/24/2024
- Concentra Group Holdings Parent, Inc. (NYSE) 07/24/2024

- Contineum Therapeutics, Inc. (NasdaqGS) 04/04/2024
- Fractyl Health, Inc. (NasdaqGM) 02/01/2024
- Kyverna Therapeutics, Inc. (NasdaqGS) 02/07/2024
- MBX Biosciences, Inc. (NasdaqGS) 09/12/2024
- Metagenomi, Inc. (NasdaqGS) 02/08/2024
- PACS Group, Inc. (NYSE) 04/10/2024
- Rapport Therapeutics, Inc. (NasdaqGM) 06/06/2024
- Septerna, Inc. (NasdaqGM) 10/24/2024
- Tempus AI, Inc (NasdaqGS) 06/13/2024
- Upstream Bio, Inc. (NasdaqGS) 10/10/2024
- Waystar Holding Corp. (NasdaqGS) 06/06/2024
- Zenas BioPharma, Inc. (NasdaqGS) 09/12/202

^{*} IPOs below \$75 million were excluded from this report.

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