

Q2 2024

# Forge Investment Outlook



# Disclaimers

If you are a resident or a company registered within Germany this content is for marketing purposes only and on behalf of Forge Europe GmbH of Unter den Linden 38, 10117 Berlin, Germany (registered in the District Court Berlin (Charlottenburg) HRB 240763). Forge Europe GmbH is a tied agent in accordance with §3 (2) WpIG and provides investment brokerage, pursuant to §2 (2) Nr. 3 WpIG, exclusively in the name, on the account and under the liability of Effecta GmbH, Florstadt.

If you are resident or a company registered within the United Kingdom or Gibraltar this content is for general marketing purposes only and not a financial promotion on behalf of Forge Europe UK Limited of 10 York Road, London, SE1 7ND, England (registered in England and Wales with company number 14877431). Forge Europe UK Limited is an appointed representative of Kroll Securities Limited which is authorised and regulated by the Financial Conduct Authority (FCA) under Firm Reference Number 466588.

Forge Europe GmbH and, its wholly owned subsidiary, Forge Europe UK Limited (together "Forge Europe") accept liability to a client as set out in the individual agreement entered into with the client. All other liability to any client is expressly excluded to the fullest extent permitted by applicable laws and regulations. Each Forge Europe company expressly excludes all liability to the fullest extent permitted by applicable laws and regulations to any person who is not a client. You will only be a client if you have entered into a written client agreement with the relevant Forge Europe company.

Nothing contained herein is an invitation or inducement to engage in investment activity. This is not a recommendation, offer, solicitation of an offer, or advice to buy or sell securities by Forge Europe or any of its affiliates, nor an offer of brokerage services in any jurisdiction where Forge Europe is not permitted to offer brokerage services. Forge Europe does not (1) advise any party on the merits of a particular transaction; (2) assist in the determination of fair value of any security; or (3) provide legal, tax, or transactional advisory services. Please be aware that fluctuations in currency exchange rates may affect the value of sums denominated in USD.

The performance shown represents past performance, and past performance is not indicative of future results. Investing in private company securities is not suitable for all investors, is highly speculative, involves a high degree of risk, and you should be prepared to withstand a total loss of your investment. Private company securities are highly illiquid and there is no guarantee that a market will develop for such securities. Each investment also carries its own specific risks and investors should conduct their own, independent due diligence regarding the investment, including obtaining additional information about the company, opinions, financial projections and legal or investment advice. Accordingly, investing in private company securities is appropriate only for those investors who can tolerate a high degree of risk and do not require a liquid investment.

The Forge Private Market Index is calculated and disseminated by Forge Data LLC ("Forge Data") and is a mark of Forge Data. All rights reserved. The Forge Private Market Index is solely for informational purposes and is based upon information from sources believed to be reliable. It is not possible to invest in the Forge Private Market Index, and Forge Data makes no assurance that any investment products based on or underlying the Forge Private Market Index will accurately track index performance or provide positive investment performance. Forge Data is not an investment adviser and makes no representation regarding the advisability of investing in any asset classes or investment vehicles. Private company securities are highly illiquid, and the Forge Private Market Index may rely on a very limited number of trade and/or IOI inputs in its calculation. The performance of the Forge Private Market Index with respect to the growth of \$10,000 shown herein does not represent the performance of any actual investment, but rather reflects the hypothetical growth of a \$10,000 investment in a basket of securities based on the index. Additionally, the chart assumes reinvestment of dividends and capital gains in the constituent securities but does not reflect any fees or commissions that may be incurred in purchasing or selling such securities, which would lower the figures shown if included. Further, \$10,000 may not be a sufficient amount to invest simultaneously in all securities contributing to the performance shown, which would further prevent an investor from matching the performance shown. By downloading this content, you acknowledge that you have reviewed and are subject to the Forge Private Market Index disclaimers and disclosures which contains other important disclaimers, disclosures and restrictions related to the Forge Private Market Index. Additionally, if you are accessing this content away from [forgeglobal.com](https://forgeglobal.com), you acknowledge that you have reviewed and are subject to Forge's Terms of Use with respect to use and distribution of information as if you were accessing this content on [forgeglobal.com](https://forgeglobal.com).

This material may be distributed to, or directed at, only the following persons: (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "FP Order"), (ii) high-net-worth entities falling within Article 49(2) of the FP Order, and (iii) any other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "FPO Relevant Persons"). Persons who are not FPO Relevant Persons must not act on or rely on this material or any of its contents. Any investment or investment activity to which this material relates is available only to FPO Relevant Persons. The information contained herein is based on currently available information, and Forge Europe undertakes no obligation to update any of such information or to reflect new information or the occurrence of unanticipated events, except as required by law. While Forge Europe believes such information forms a reasonable basis for the contents of this Investment Outlook, such information may be limited or incomplete, and this content should not be read to indicate that Forge Europe has conducted an exhaustive inquiry into, or review of, all potentially available relevant information. This Investment Outlook contains trademarks, service marks, trade names and copyrights of Forge Europe or its affiliates and may contain those of other companies, which are the property of their respective owners. The use or display of third parties' trademarks, service marks, trade names or products is not intended to, and does not imply, a relationship with Forge Europe or its affiliates or any of its respective affiliates, or an endorsement or sponsorship by or of Forge Europe or its affiliates.

This content is for the sole use of the intended recipient(s). Any unauthorized review, use, disclosure or distribution is prohibited.

# Road to Recovery: Private Market Accelerates in Q1

The first quarter of 2024 saw exuberance ripple through financial markets. The S&P 500 hit 22 new highs,<sup>1</sup> the Nasdaq pushed to record heights,<sup>2</sup> and the Dow Jones Industrial Average flirted with the elusive 40,000 milestone.<sup>3</sup> Even the price of gold also reached all-time highs, propelled by investor expectations of interest rate cuts by the U.S. Federal Reserve throughout 2024.<sup>4</sup> Meanwhile, bitcoin recovered from a “crypto winter” and surged to a record high in mid-March.<sup>5</sup>

Seemingly excited to join the trend, the private market may be headed in a more positive direction after experiencing two challenging years. In Q1 2024, the Forge Private Market Index rose 4.5%, posting the strongest quarterly performance for the index since 2021.<sup>6</sup> The Forge Private Market Index benefited from the IPOs of two late-stage companies — [Astera Labs](#)<sup>7</sup> and [Reddit](#)<sup>8</sup> — along with positive performance from a broad range of index constituents, including 10 names that were marked up at least 20%.<sup>9</sup>

Numerous core private market metrics in Q1 2024 also showed increasing momentum. Of note, the proportion of buy-side Indications of Interest (IOIs) on Forge Markets exceeded 61% in March — a two-year high — after rising each of the two prior months.<sup>10</sup> In addition, the total volume of IOIs grew by 45% in the quarter, while the number of companies with sell-side IOIs on Forge Markets also increased in the quarter,<sup>11</sup> demonstrating the breadth of the pre-IPO market.

Looking forward, 2024 appears poised for more IPO activity, particularly as high-profile companies like [Rubrik](#), [Liquid Death](#), and [Klarna](#) have all signaled intentions to go public.<sup>12</sup> As suggested by Q1 2024 IPOs, the environment appears more fertile for late-stage, venture-backed companies to unlock value — and private market investors may finally be poised to benefit.

1. [CNN](#) | 2. [Nasdaq](#) | 3. [Investor's Business Daily](#) | 4. [CNBC](#) | 5. [NPR](#) | 6. Forge Data, as of 3/31/24. Performance of the Forge Private Market Index prior to the index launch in May 2023 is calculated using hypothetical performance based on historical Forge data. | 7. [TechCrunch](#) | 8. [Reuters](#) | 9. Forge Data, as of 3/31/24 | 10. Forge Data, as of 3/31/24 | 11. Forge Data, as of 3/31/24 | 12. [Reuters](#), [The Information](#), [Payments Dive](#)

Q2 2024

# Table of Contents

## Market Performance

---

- 7. Q1 Forge Private Market Index Performance

---

- 8. Private Market Markups/Markdowns

---

- 9. Q1 Sector and Company Returns

---

- 10. Forge Private Market Index: Q1 Sector Returns

---

- 11. Issuer Activity

## Primary Market Activity

---

- 13. Quarterly Funding Round Volume

---

- 14. Previous Funding Rounds for Q1 Companies

---

- 15. Funding Round Step-Up Distribution

---

- 16. New Unicorns

---

- 17. Largest Step-Ups and Step-Downs for Unicorns

## Secondary Market Activity

---

- 19. Funding Year Cohort Forge Price Performance

---

- 20. Trade Price Distribution

---

- 21. Indications of Interest Bid-Ask Mix

---

- 22. Indications of Interest Bid-Ask Spread

---

- 23. Quarterly ROFR Rates

---

- 24. Company ROFR Activity

---

- 25. International Trading

## Mutual Fund Marks

---

- 27. Mutual Fund Mark Distribution

---

- 28. Mutual Fund Mark Prices vs. Trade Prices

## Exit Activity

---

- 30. Exit Trends

---

- 31. Q1 Completed and Announced Exits

---

- 32. Select Q1 IPOs

Q2 2024

## Three Key Takeaways from Q1

### The private market moved higher in Q1

The Forge Private Market Index rose 4.5% in the first quarter of 2024, posting the best quarterly performance since 2021.<sup>13</sup> Led by the IPOs of Astera Labs and Reddit and positive performance from multiple sectors, the Forge Private Market Index benefited from stronger price gains from marked-up companies compared to marked-down companies.

### Multiple signals from core secondary metrics suggest the beginning of a more optimistic market environment

The bid-ask spread, proportion of buy-side IOIs to sell-side IOIs, and discount to primary valuation all improved over the course of Q1 2024, a welcome shift for investors looking for signs of strength in the secondary market. There's still a considerable gap between current levels and the peak performance of 2021 — and uncertainty around whether the market will return to those heights — but numerous trends represent a positive step forward.

### The IPO market appears poised to reawaken from a long slumber

After several false starts for the IPO market in 2023, the floodgates could open in 2024 as the backlog of late-stage private companies awaiting their public debuts continues to grow. The initially positive performance of Astera Labs and Reddit from their private market prices suggests that IPOs could unlock value for more private market companies moving ahead, with more than 20 companies potentially eligible to go public in 2024.<sup>14</sup>

13. Forge Data, as of 3/31/24. Performance of the Forge Private Market Index prior to the index launch in May 2023 is calculated using hypothetical performance based on historical Forge data.

14. [Forge IPO Calendar](#), as of 4/10/24

# Market Performance

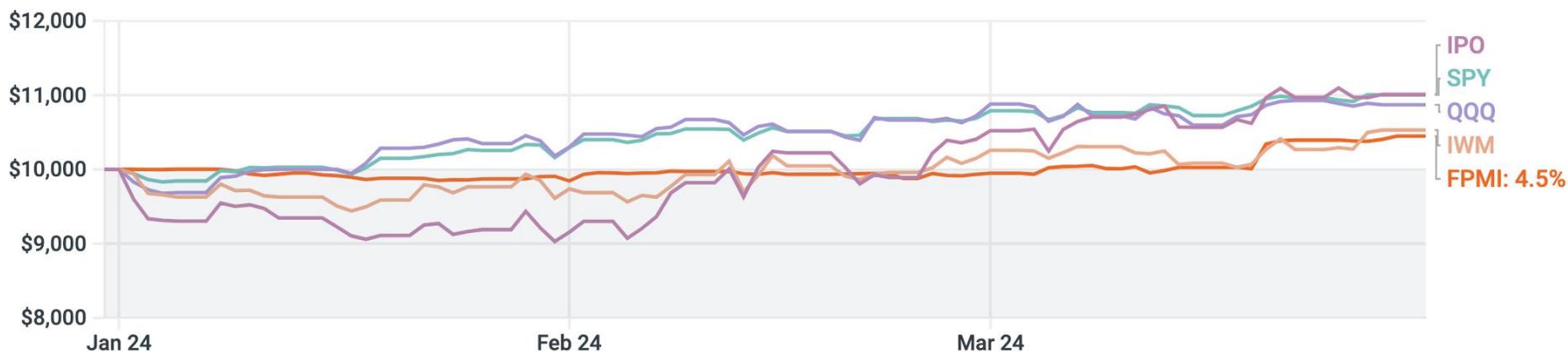
MARKET PERFORMANCE

# The Private Market Rose in Q1, Supported by Successful IPOs

In the first quarter, the successful IPOs of AI infrastructure company Astera Labs (+383%)<sup>1</sup> and social media platform Reddit (+67%)<sup>1</sup> contributed the most to the positive performance (+4.5%) of the Forge Private Market Index. While the Forge Private Index was up for the quarter, it trailed public equity ETFs QQQ, SPY, IPO, and IWM.

	Mar-24	Q1 2024	L12M	L3Y	L5Y
Forge Private Market Index	5.2%	4.5%	-1.8%	-10.6%	17.3%
SPY	3.0%	10.0%	30.7%	12.8%	16.8%
QQQ	1.4%	8.7%	40.2%	13.1%	21.5%
IWM	3.7%	5.3%	21.2%	0.1%	8.9%
IPO	5.8%	10.1%	41.9%	-12.6%	6.6%

## Q1 Forge Private Market Index Performance



Forge Data as of 3/31/24

### Visualization Details

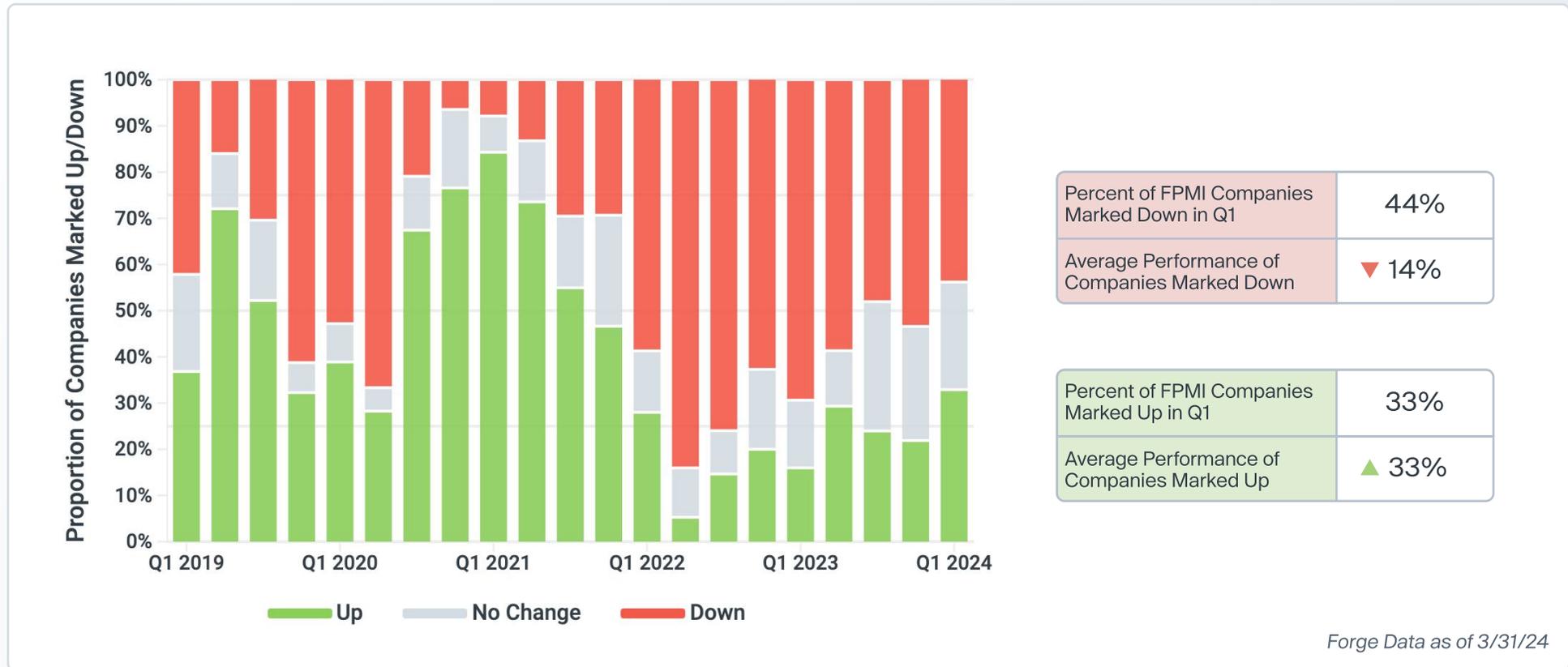
This chart shows the daily values for the Forge Private Market Index and comparable public ETFs. Index performance is portrayed by the growth of a hypothetical \$10,000. Forge Data as of 3/31/24.

1. Performance of exited companies is based on the closing price per share on the first day of trading publicly relative to their pre-IPO Forge Price on 12/31/23. Forge Price is a derived price per share for private companies that incorporates a range of pricing signals like closed trades, bids, asks, and primary funding rounds.

**MARKET PERFORMANCE**

# Forge Private Market Index Posts Most Individual Company Markups Since Q4 2021

In the first quarter, 33% of companies in the Forge Private Market Index were marked up, representing the highest percentage markup since Q4 2021. Of names marked up, the average performance was +33%. While 44% of companies were marked down in Q1 2024, the average performance of names marked down was -14%. Gains from Q1 2024 IPOs drove positive performance, but there was also broader positivity as 10 non-exited companies were marked up by 20% or more.



**Visualization Details**

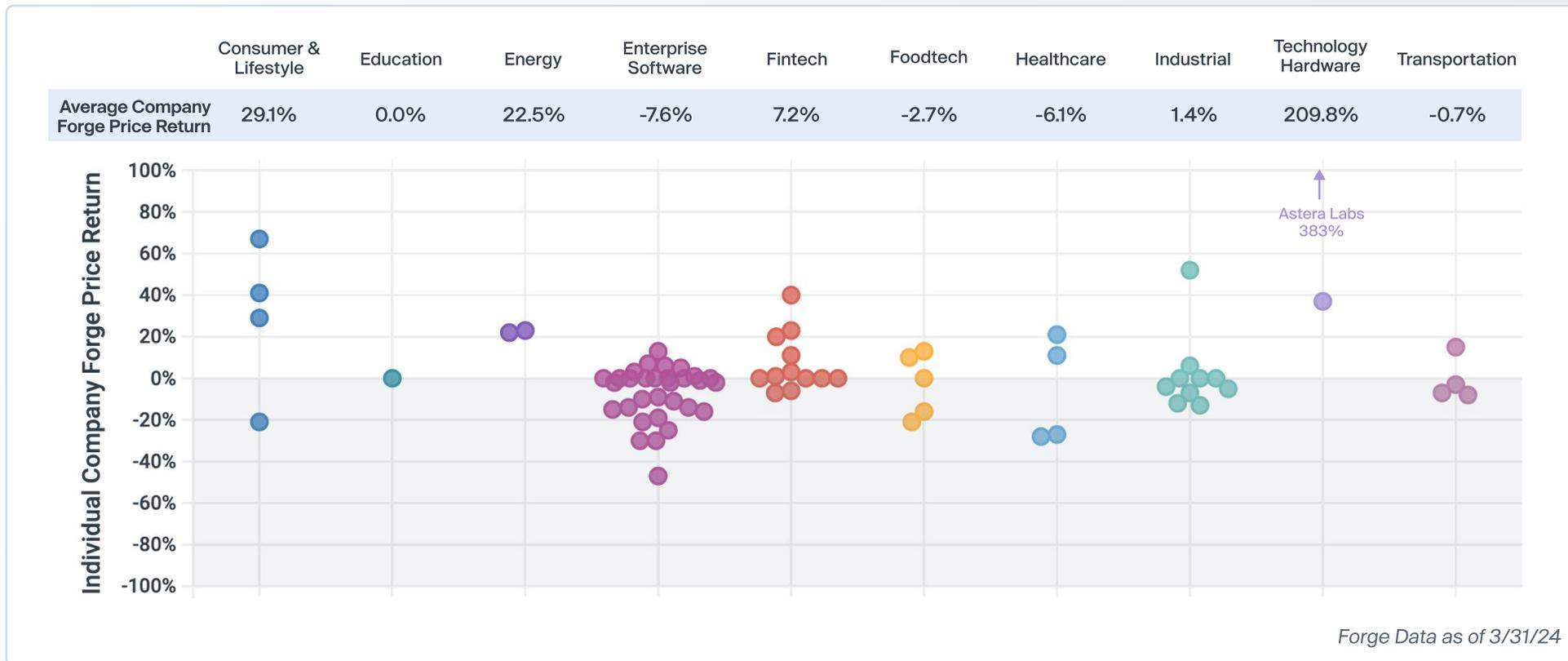
The chart on the left shows the percentage of companies in the Forge Private Market Index that were marked up, down, or flat quarterly since Q1 2019. The tables on the right show the average percentage Forge Price increase/decrease for companies marked up or down in Q1 2024.



MARKET PERFORMANCE

# Forge Private Market Index: Q1 Sector and Company Returns

Despite posting an overall positive performance in Q1 2024, the Forge Private Market Index exhibited significant disparity among sectors. Reddit and Epic Games lifted the Consumer & Lifestyle sector, while Kraken and Ripple – the two top performers in the Fintech sector – benefited from a strong environment for crypto markets. Within the Industrial sector, the two largest companies, SpaceX and Anduril, were the only companies with positive performance. Meanwhile, Enterprise Software experienced broad-based weakness.



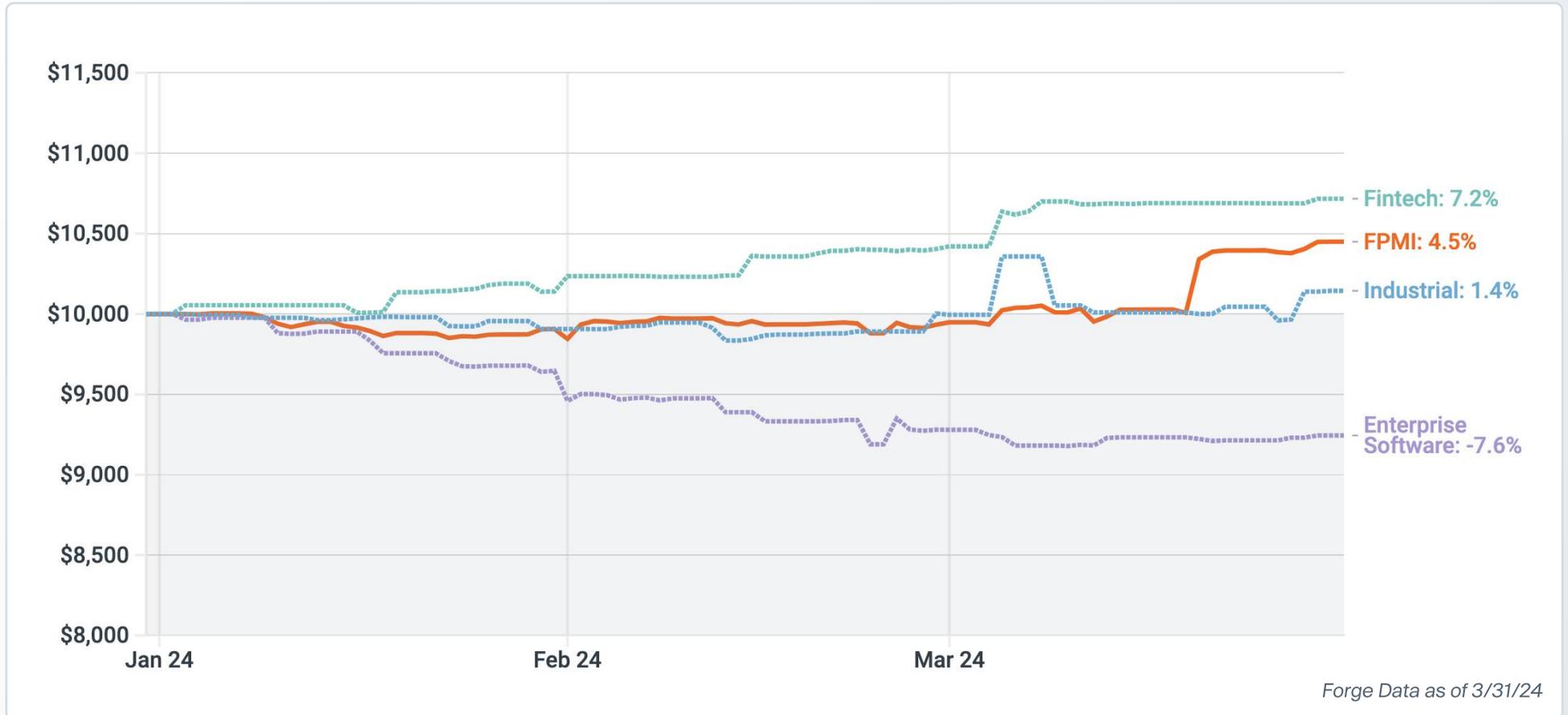
**Visualization Details**

This chart shows the Q1 2024 performance of each of the 75 companies within the Forge Private Market Index, organized by sector in alphabetical order. Forge employs its own sector taxonomy to best reflect and disaggregate the private market space relative to public market sectors. The Forge sector taxonomy has 11 sectors and 75 subsectors. At the end of Q1 2024, 10 sectors included one or more companies in the Forge Private Market Index.

## MARKET PERFORMANCE

# Forge Private Market Index: Q1 Sector Returns

Among eligible sectors in the Forge Private Market Index (those with more than five constituents), Fintech posted the strongest performance for the quarter. Within the sector, crypto exchange Kraken and blockchain payments company Ripple benefited from a recovery in cryptocurrency markets, while only two Fintech companies experienced markdowns. Within Enterprise Software – the largest sector in the Forge Private Market Index – 17 of 31 companies were marked down.



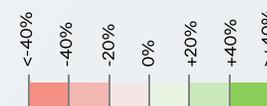
### Visualization Details

Sector performance lines follow the same methodology as the Forge Private Market Index (FPMI), powered by the Forge Price returns of individual companies in the FPMI aggregated to the sector level. Only the three sectors with the most index constituents are displayed.

## MARKET PERFORMANCE

## Issuer Activity: Q1 2024

Among frequently traded companies in the Forge Private Market Index, more companies were marked up than down in Q1 and seven companies saw gains of 20% or more. SpaceX, Neuralink, Chainalysis, and Cerebras continued their positive long-term momentum into Q1 2024, while notable unicorns Chime, Kraken, and Addepar turned positive.



Company	Sector	Subsector	Forge Price Return - Q1	Forge Price Return - L12M
Addepar	Fintech	Fintech Software	0.9%	-14.2%
Anduril	Industrial	Aerospace & Defense	5.8%	24.7%
Automation Anywhere	Enterprise Software	Productivity	-14.7%	13.4%
Cerebras	Technology Hardware	Computing Hardware	36.5%	71.9%
Chainalysis	Fintech	Blockchain Software	20.4%	30.9%
Chime	Fintech	Digital Banking	11.5%	-37.8%
Consensys	Fintech	Blockchain	-6.9%	2.4%
Databricks	Enterprise Software	Data Intelligence	-12.6%	4.1%
Dataminr	Enterprise Software	Data Intelligence	-1.9%	-16.8%
DataRobot	Enterprise Software	Data Intelligence	3.0%	-8.7%
Discord	Consumer & Lifestyle	Social	-20.7%	-30.0%
Inrix	Enterprise Software	Data Intelligence	-26.3%	-58.4%
Intercom	Enterprise Software	Sales & Marketing / Adtech	-29.6%	-36.1%
Kraken	Fintech	Blockchain	40.1%	-10.8%
Menlo Security	Enterprise Software	Cybersecurity	-33.9%	-33.9%
Netskope	Enterprise Software	Cybersecurity	6.8%	20.9%
Neuralink	Healthcare	Medical Devices	89.2%	162.0%
OpenAI	Enterprise Software	Data Intelligence	15.4%	15.4%
Postman	Enterprise Software	Software Development	-1.1%	25.7%
Ripple	Fintech	Payments	22.8%	45.0%
Rippling	Enterprise Software	Human Resources	21.0%	31.5%
Rubrik	Enterprise Software	Cybersecurity	-2.2%	18.0%
SambaNova Systems	Enterprise Software	Data Intelligence	-14.4%	31.8%
SpaceX	Industrial	Aerospace & Defense	51.8%	62.2%

## Visualization Details

Forge Data as of 3/31/24

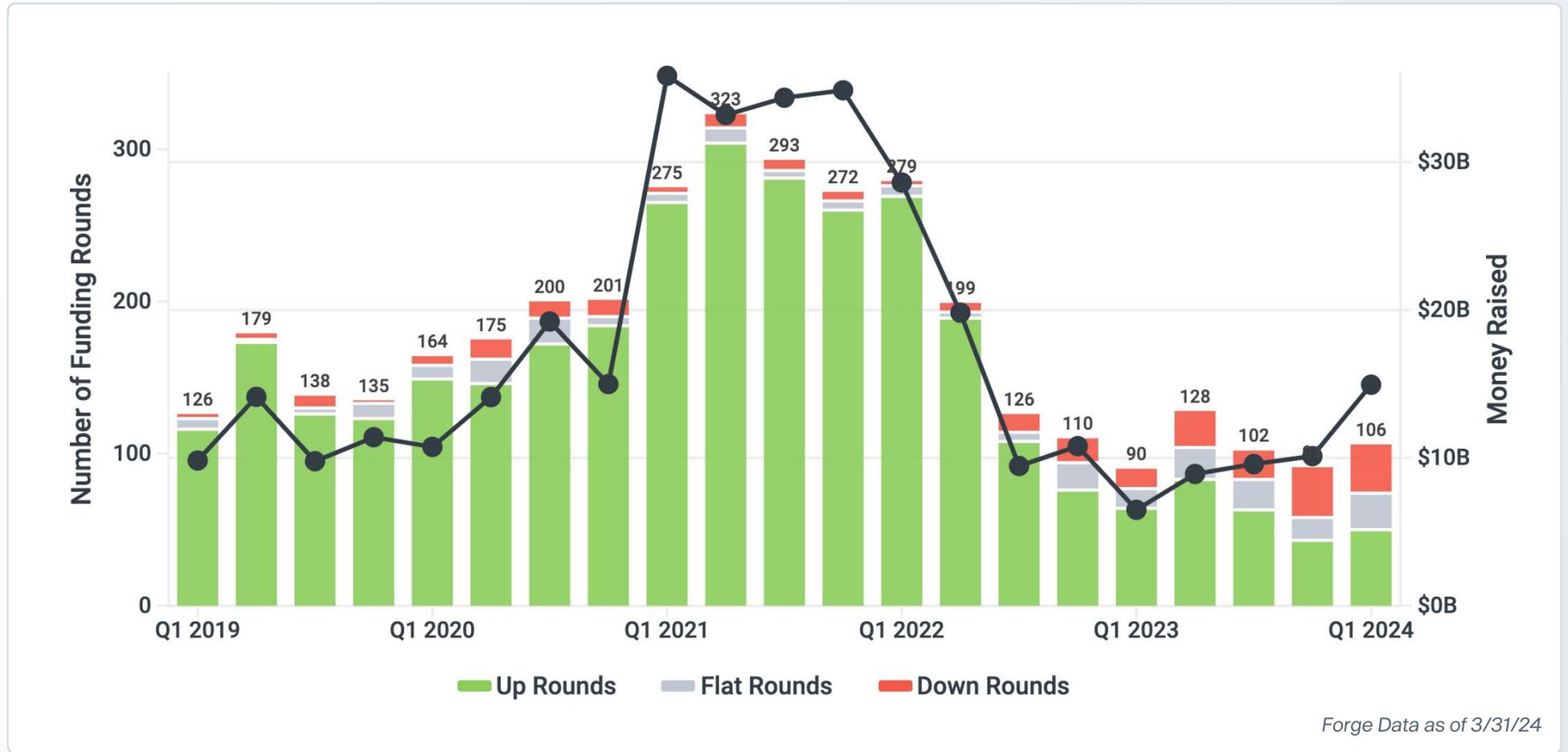
This table shows companies in the Forge Private Market Index with frequent trading volume in Q1 2024 in alphabetical order. It includes the company's Forge sector, subsector, and Q1 and last-12-month (L12M) Forge Price returns in the Forge Private Market Index. If the company's first Forge Price is less than one year ago, the L12M return uses the first price date as a starting point.

# Primary Market Activity

PRIMARY MARKET ACTIVITY

# Increase in Primary Funding Comes at a Cost

The first quarter saw growth in overall fundraising, as companies on the Forge platform raised the most capital since Q2 2022. However, more than half of the rounds in Q1 2024 were down or flat, suggesting that capital remains expensive for companies seeking an infusion of cash.



Forge Data as of 3/31/24

Visualization Details

On the left y-axis, the bar chart counts the number of up, flat, or down rounds for Mid- and Late-stage companies in each quarter on the Forge platform since 2019. On the right y-axis, the line chart plots the total amount of money raised by Mid- and Late-stage companies in each quarter since 2019. Forge defines Mid and Late-stage based on a set of rules incorporating funding rounds, money raised, implied valuation, and company age.



**PRIMARY MARKET ACTIVITY**

# Companies With Aging Primary Valuations Were More Likely to Raise Down or Flat Rounds

In Q1 2024, 106 companies on the Forge platform completed primary fundraising. Companies that reduced their valuation in Q1 2024 were more likely to have raised primary funding in 2021 or 2022. These companies' last rounds were done during frothy market conditions, and their business models may have been more appealing to investors three years ago than today. Companies that grew their valuation in Q1 2024 were more likely to have raised primary funding in 2023, and their valuation gains may be influenced by the fact that they raised funds in a more restrained valuation landscape.



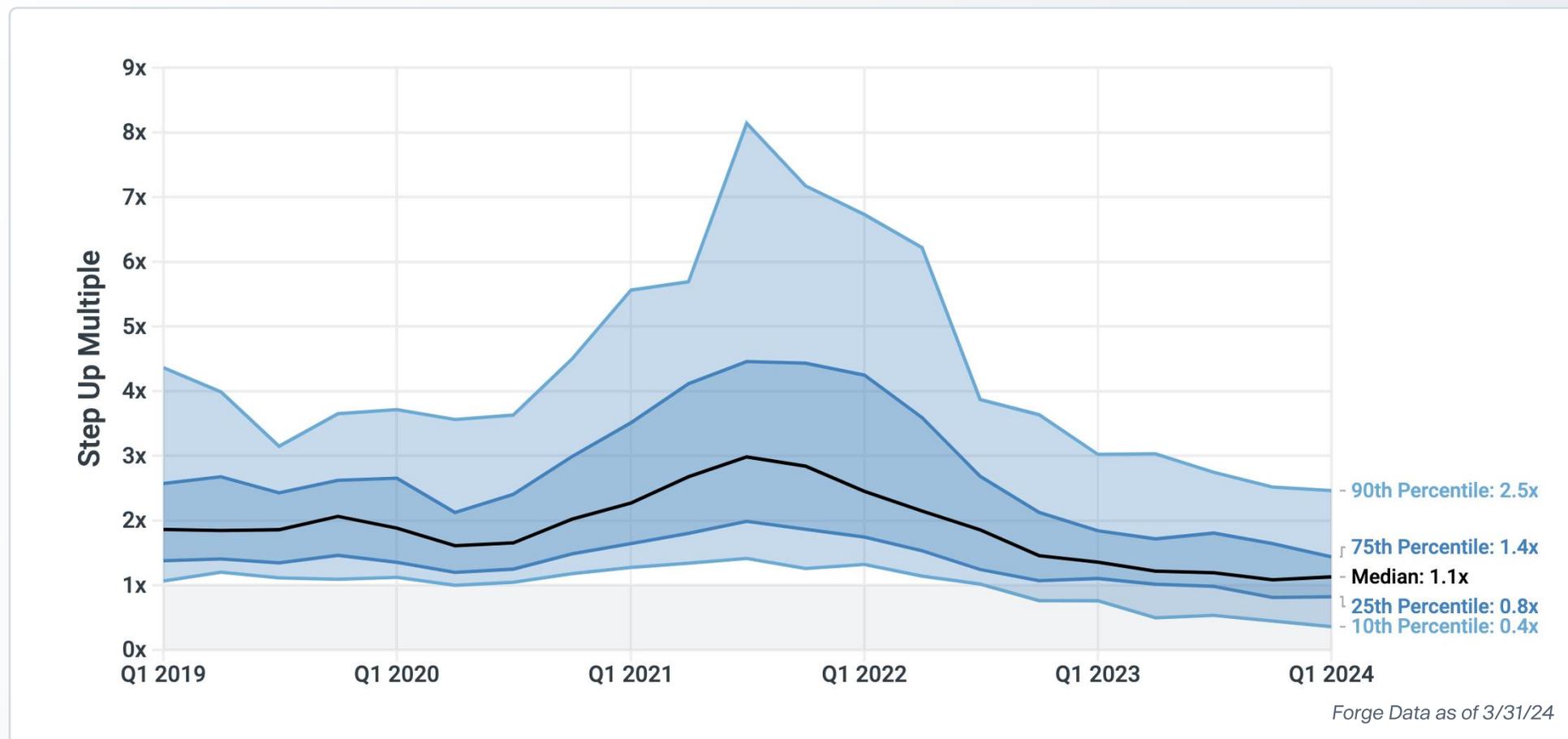
**Visualization Details**

The header row shows the number of up, flat, or down rounds for Mid- and Late-stage companies in Q1 2024 on the Forge platform. The subsequent bars show the year of the last funding round for those companies that raised in Q1 2024.

PRIMARY MARKET ACTIVITY

# Median Valuation Step-Ups Remain Close to Flat for Companies Raising Primary Funding

While capital is coming back to the market, step-ups have not yet shown a broader trend reversal. In Q1 2024, the median company on the Forge platform raised capital at an effectively flat valuation compared to its previous funding round. The prevailing trend is that even the best-performing companies are not achieving substantial valuation increases when raising primary capital compared to previous years.



Visualization Details

This chart plots the distribution of step-ups for Mid- and Late-stage companies raising primary round funding in each quarterly period since 2019.



PRIMARY MARKET ACTIVITY

# New Unicorns Are Being Born Based on Funding Rounds

While the Enterprise Software sector in the Forge Private Market Index declined in Q1 2024, some prominent names on the Forge platform became unicorns in 2024 based on their latest primary fundraising and have begun trading in the secondary market.

Company	Subsector	Money Raised	Funding Round Price per Share Step-Up	Valuation Change	
				\$0	\$1B
Figure AI	Robotics	\$675M	4.4x		\$2.6B
Altruist	Capital Markets	\$169M	1.4x		\$1.5B
Lambda	Data Intelligence	\$320M	6.3x		\$1.5B
Flip	Ecommerce	\$103M	1.4x		\$1.3B
Blink Health	Other Healthcare	\$88M	1.0x		\$1.3B
Twelve	Clean Energy	\$150M	1.6x		\$1.2B
Together AI	Data Intelligence	\$106M	2.0x		\$1.2B
Octane Lending	Lending	\$110M	1.0x		\$1.1B
Perplexity	Data Intelligence	\$56M	1.9x		\$1.0B
EigenLayer	Blockchain Software	\$100M	3.5x		\$1.0B
Kin	Insurance	\$5M	1.1x		\$1.0B

Forge Data as of 3/31/24

### Visualization Details

The chart shows companies on the Forge platform that became unicorns (>\$1B valuation) from an increase in valuation due to a primary funding round in Q1 2024. Companies are ordered by post-money valuation in descending order.

PRIMARY MARKET ACTIVITY

# Largest Step-Ups and Step-Downs for Companies That Were Already Unicorns

## STEP-UPS

Company	Subsector	Money Raised	Post Money Valuation	Funding Round Price per Share Step-Up	
				1x	2x
Glean	Data Intelligence	\$200M	\$2.2B	1.82x	
Bilt Rewards	Real Estate Products & Services	\$200M	\$3.1B	1.82x	
GrubMarket	Food Products & Services	\$50M	\$3.6B	1.59x	
Altos Labs	BioTech & Pharma	\$1,384M	\$6.0B	1.31x	
Capital Rx	Healthcare Providers & Services	\$313M	\$1.3B	1.25x	

## STEP-DOWNS

Company	Subsector	Money Raised	Post Money Valuation	Funding Round Price per Share Step-Down	
				0x	1x
NAX	Blockchain	\$10M	\$134M	0.04x	
Mark43	Industrial Software	\$55M	\$306M	0.13x	
Calm	Digital Health	\$25M	\$405M	0.15x	
FLYR Labs	Business Operations	\$345M	\$1.1B	0.38x	
Astranis	Communications Equipment	\$201M	\$987M	0.43x	

Forge Data as of 3/31/24

### Visualization Details

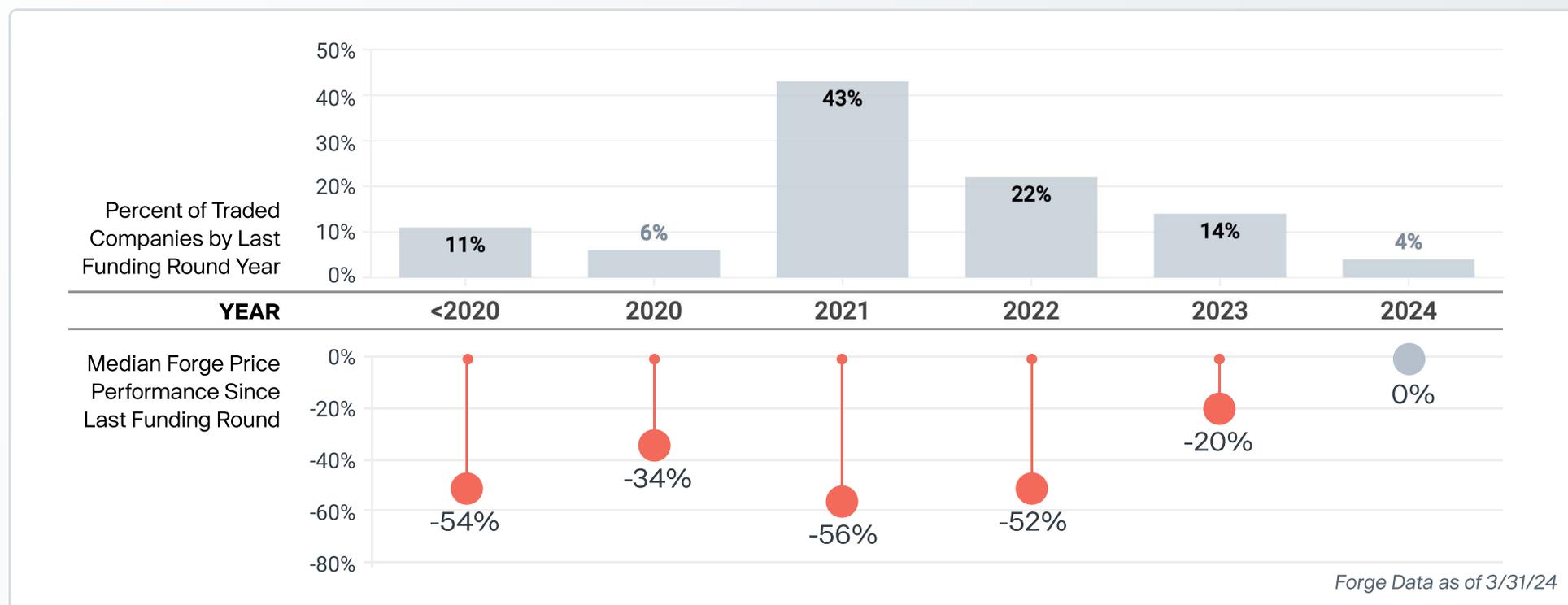
The first chart shows the top five companies on the Forge platform that raised a primary funding round with the largest funding round price-per-share step-ups. The second chart shows the top five companies on the Forge platform that raised a funding round with the largest funding round price-per-share step-downs.

# Secondary Market Activity

**SECONDARY MARKET ACTIVITY**

# Recent Cohorts Show Secondary Market Pricing Closer in Line to Primary Valuations

Of companies that have traded on the Forge platform, 43% last raised primary funding in 2021. In that cohort, investors can anticipate a median -56% discount based on their Forge Price. In hindsight, 2021 is now considered one of the frothiest years in recent memory for private company investment, and the effects of that bubble are still being felt. This helps contextualize individual company performance. For example, Reddit’s last private Forge Price was at a -36% discount to its last primary funding round, outperforming its cohort that raised its last primary funding round in 2021. Companies in recent cohorts are showing more stability. Although a smaller number of companies raised in 2023 and 2024, their Forge Price shows a valuation that is much closer to their last primary round.



**Visualization Details**

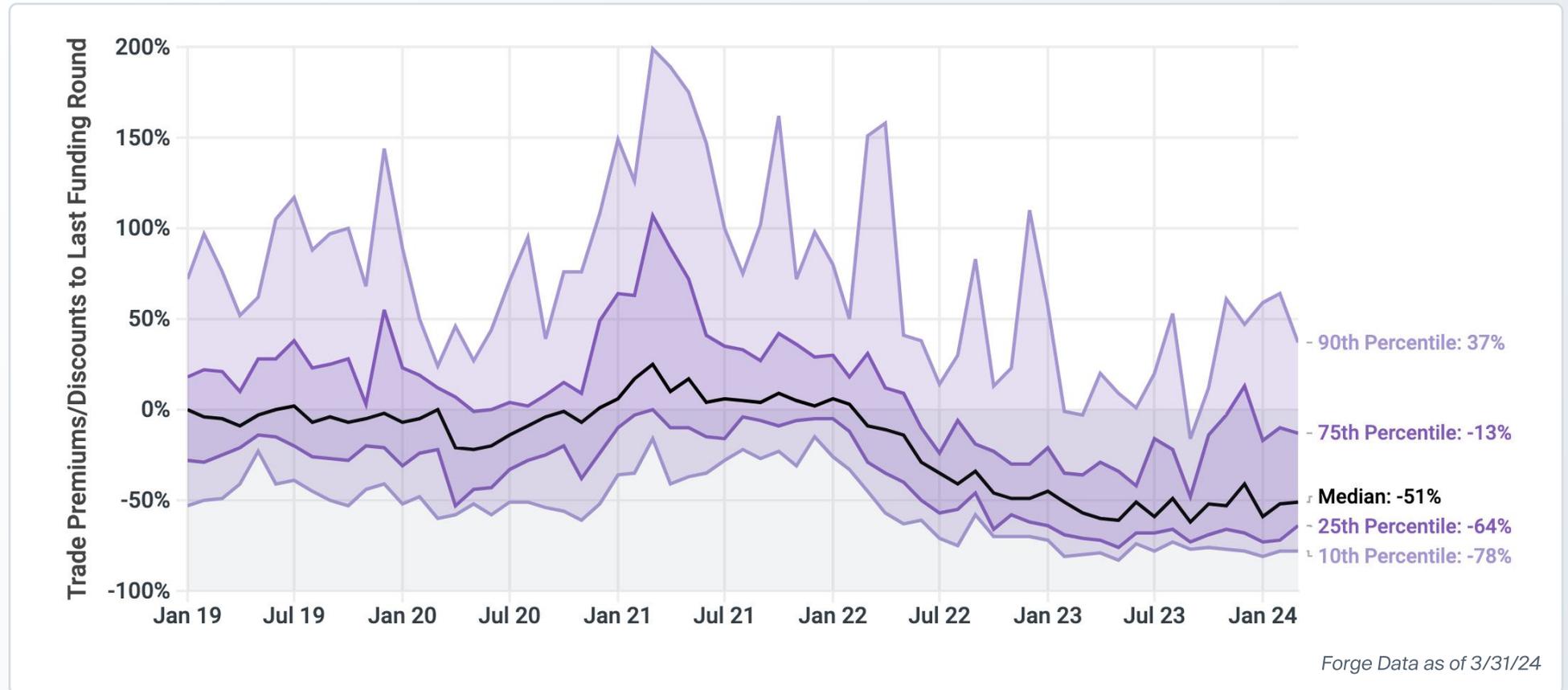
The top chart shows the year of the last funding round for companies that have traded on the Forge platform. The bottom chart shows the median Forge Price discount to the last funding round of companies whose last funding round was in the specified year.



## SECONDARY MARKET ACTIVITY

# Private Companies Continue Trading at Wide Range of Premiums/Discounts to Primary Valuations

In Q1 2024, private companies on the Forge platform traded at a median discount of -51%, which is roughly consistent with the last four quarters. The top 10% companies traded at a +37% premium to their last primary round valuation. While the top 25% traded at a -13% discount, the last six months show a broadly improving trend from this cohort.



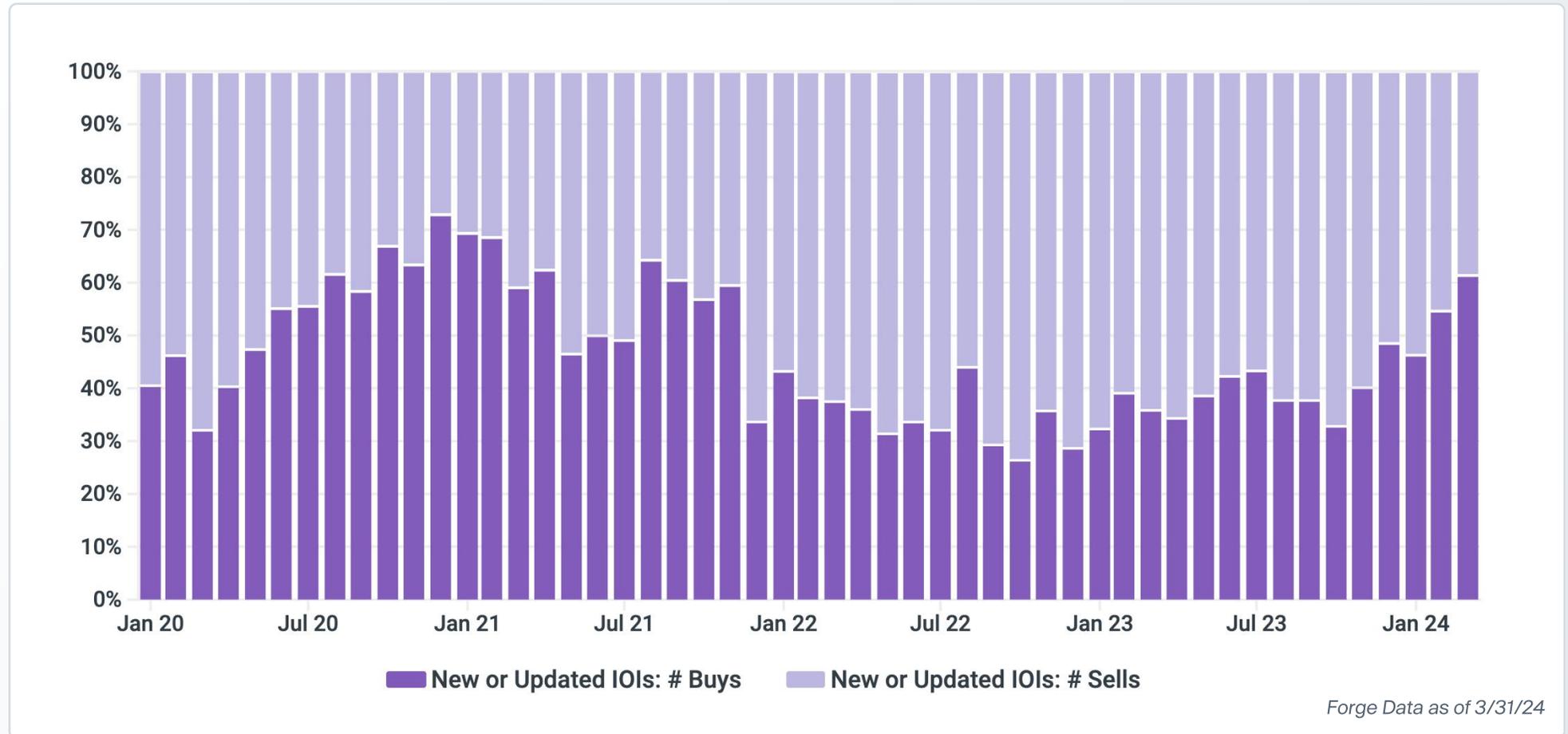
### Visualization Details

This chart plots the distribution of monthly secondary market premiums/discounts to a company's last primary funding round on Forge Markets trades executed since January 2019.

## SECONDARY MARKET ACTIVITY

# In Notable Shift, the Proportion of Buy IOIs Reached a 28-Month High

A notable shift played out in Q1 2024. At the start of the quarter, buyers represented 46% of IOIs. By the end of the quarter, buyers represented 61% of IOIs. This is the highest buy-side reading since August 2021. Forge also saw a 45% increase in the overall number of IOIs submitted to the platform in Q1 2024 compared to Q4 2023.



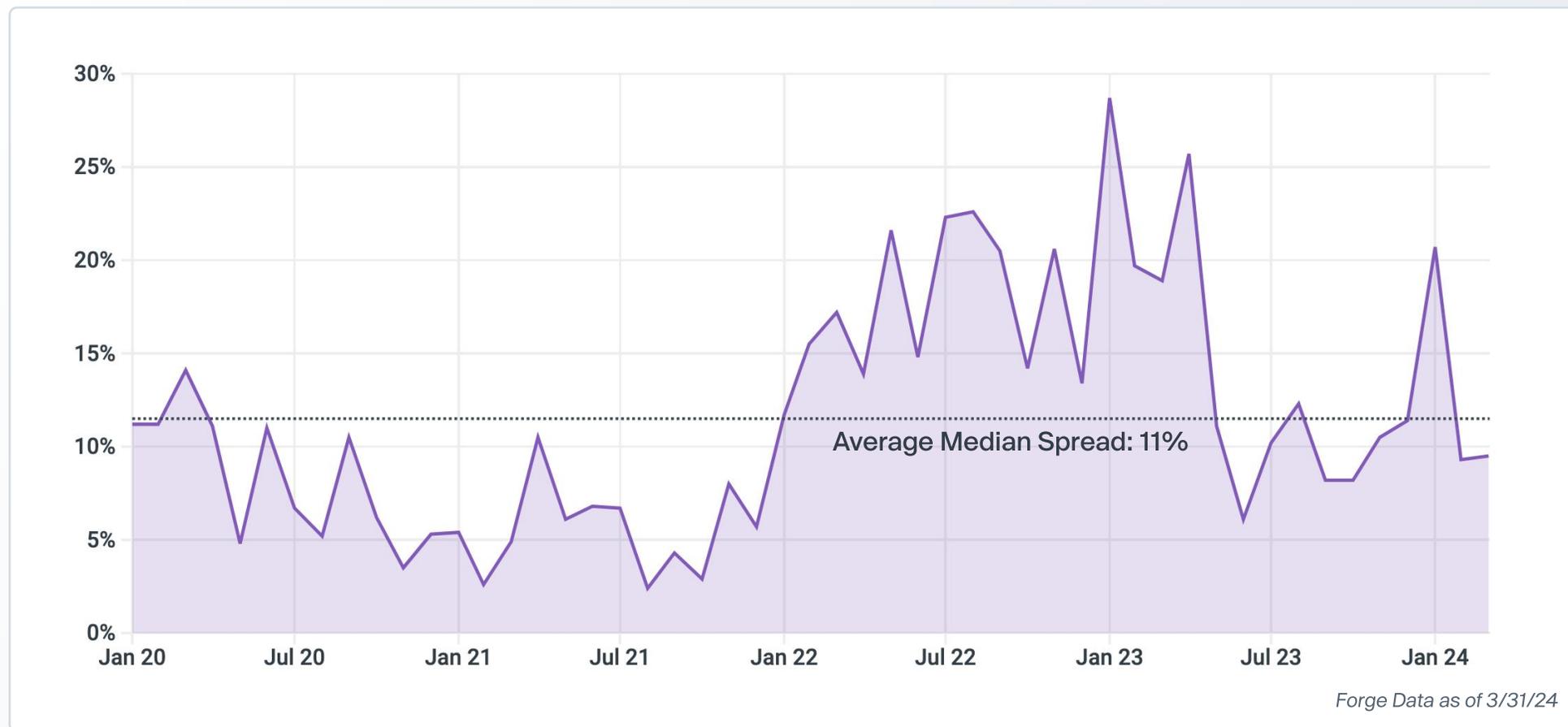
### Visualization Details

This chart plots the monthly proportion of new or updated buy and sell IOIs on the Forge platform.

## SECONDARY MARKET ACTIVITY

# Q1 Concludes with Median Bid-Ask Spread Below Four-Year Average

Although Q1 2024 had a spike in January, the quarter ended with a median bid-ask spread of 9.5% – below the four-year average of 11.4% and a reminder that private market data is often noisy in short timespans.



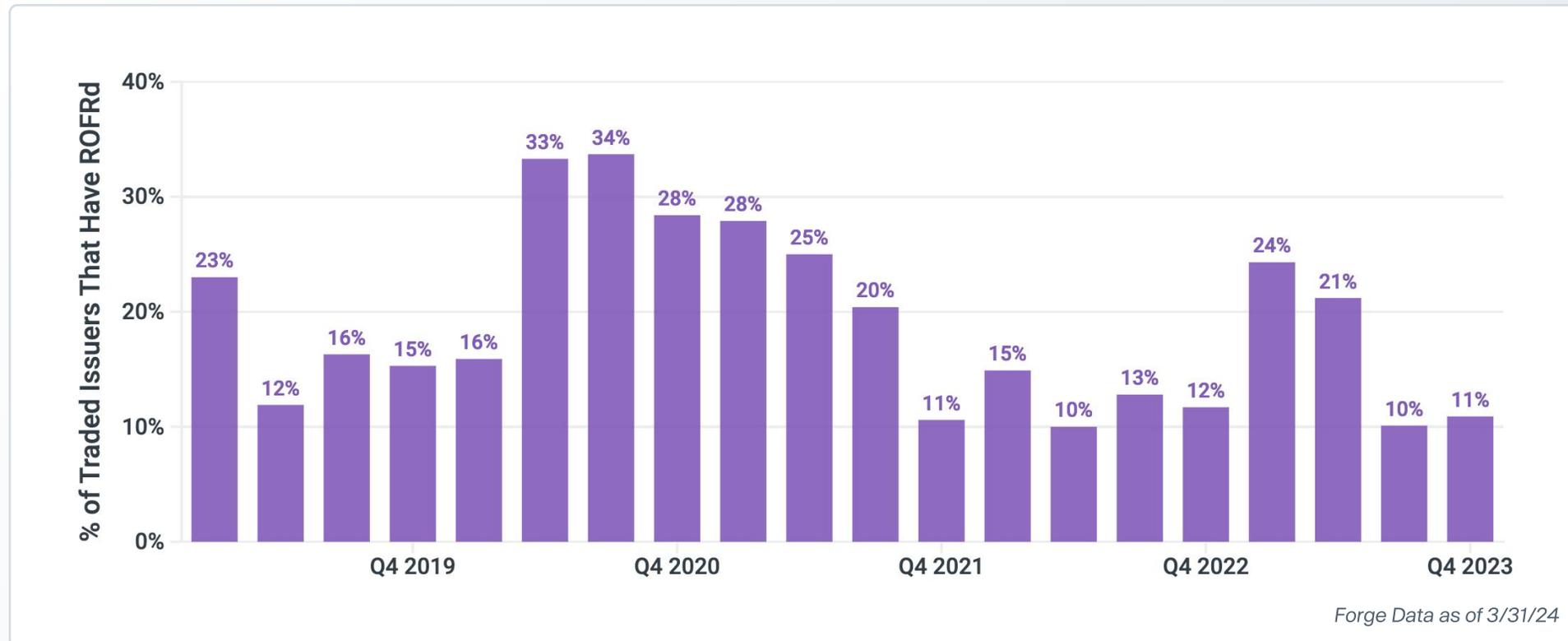
### Visualization Details

This chart shows the median IOI spread on the Forge platform since January 2020. In January 2024, Forge updated the methodology for calculating spreads to use the median, rather than the average, of individual issuer IOIs before calculating the median across all issuers. This change in methodology resulted in the three-year average median spread moving from approximately 14% to 11.4%. The new methodology for calculating spreads will be used going forward.

**SECONDARY MARKET ACTIVITY**

# Companies Remain Consistent in Exercising Right of First Refusal (ROFR) for Q4 2023 Trades

After increasing for the first two quarters of 2023 as more companies on the Forge platform exercised their Right of First Refusal (ROFR) at what may have been opportunistically low prices, ROFR rates returned closer to 2022 levels in Q3 and Q4 2023.



**Visualization Details**

This chart shows the percent of issuers that traded in a given quarter that exercised Right of First Refusal (ROFR) trades. When a private company shareholder seeks to sell stock to a third-party buyer, the company typically retains a ROFR option for a set period (often 30 days) to step in and buy the stock back itself (or assign this right to a large investor) at the price negotiated by the seller and buyer. In addition to the company exercising a ROFR, certain large investors may have ROFR or co-sale rights they can exercise in this context. If the company (and/or investor) waives this right, the seller can proceed to sell the stock to the buyer at the negotiated price. Since ROFR periods can be up to 90 days or longer, the data in the chart above is delayed by one quarter.

## SECONDARY MARKET ACTIVITY

## Companies Exercising Right of First Refusal (ROFR)

Company	Sector	Subsector	Implied Valuation from Max Q4 ROFR Price per Share	Implied Valuation from Max ROFR vs. Last Funding Round
Anduril	Industrial	Aerospace & Defense	\$10.3B	+21%
Aviatrix	Enterprise Software	Cybersecurity	\$541M	-73%
Flex	Fintech	Personal Finance	\$296M	-69%
Ripple	Fintech	Payments	\$4.6B	-54%
Rippling	Enterprise Software	Human Resources	\$7.5B	-34%
Thrive Market	Foodtech	Food Products & Services	\$653M	-49%
Workato	Enterprise Software	Productivity	\$1.9B	-66%

Forge Data as of 3/31/24

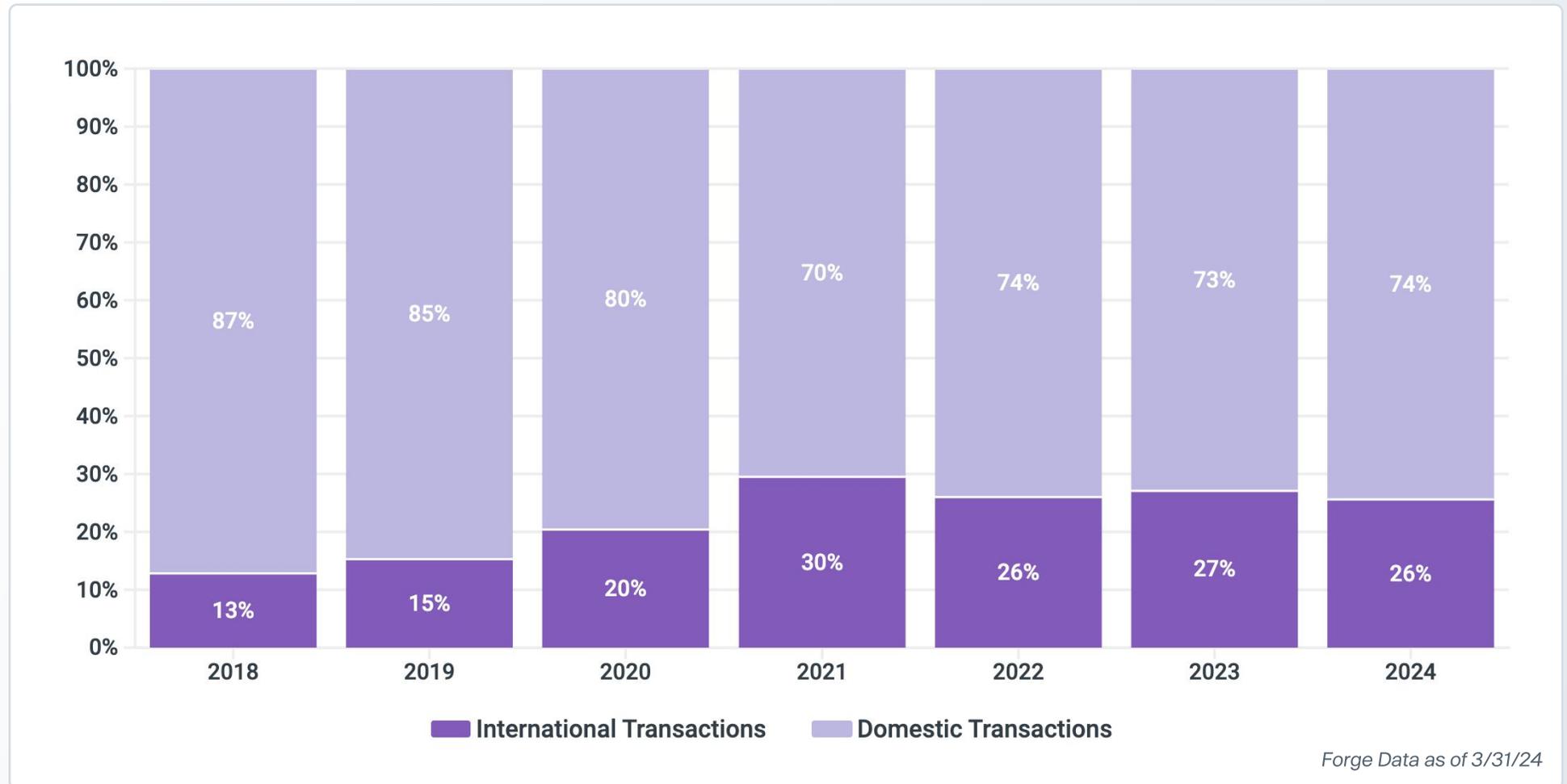
## Visualization Details

This table shows companies that have executed their Right of First Refusal (ROFR) in Q1 2024 in alphabetical order. “Implied Valuation from the Max ROFR Price” is based on the percent difference from the most recent primary funding round price per share and the maximum Forge Price of a ROFR’d trade.

## SECONDARY MARKET ACTIVITY

# 2X Growth in Share of International Buyers/Sellers Since 2018

Forge has seen the proportion of private market transactions with international buyers or sellers increase, from 13% in 2018 to 26% thus far in 2024. As investors from around the world seek greater access to private company equity and primary rounds remain scarce, the secondary market presents a unique opportunity to access this asset class.



### Visualization Details

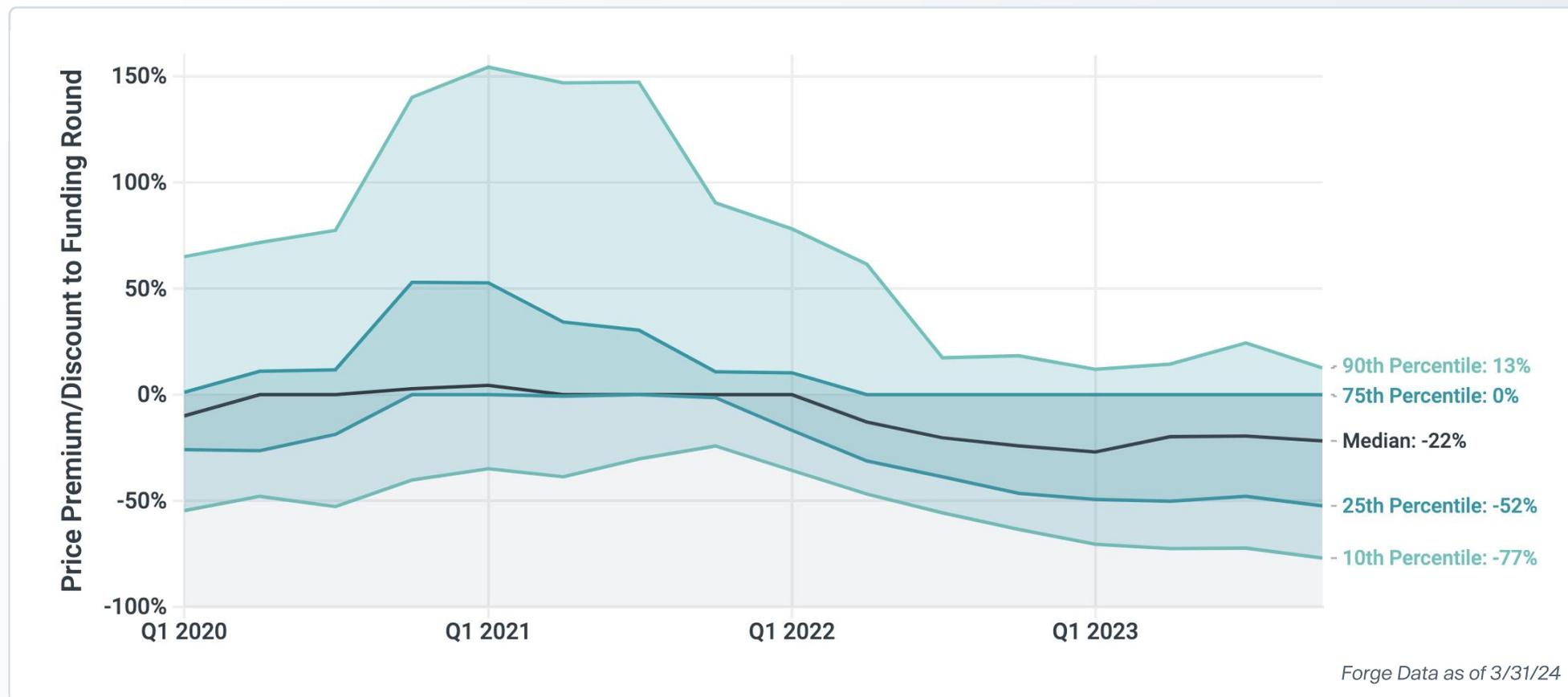
This chart shows the proportion of trades on the Forge platform where at least one of the transacting parties was based in non-U.S. countries.

# Mutual Fund Marks

## MUTUAL FUND MARKS

# Mutual Funds Remain Consistent in Private Company Valuations

In Q4 2023, mutual funds remained largely consistent in their publicly disclosed valuations for private companies. Mutual fund marks lag the current market by one quarter, so it remains to be seen whether these valuations will rise as the broader market improved in Q1 2024.



### Visualization Details

This chart plots the quarterly distribution of premiums/discounts to the last primary funding round at which public mutual funds are valuing their private company holdings since Q1 2020. Mutual funds are required to report holdings quarterly and the data is released later, explaining why this data is up to Q4 2023.

MUTUAL FUND MARKS

# Secondary Valuations Begin Closing Gap with Mutual Fund Marks

Since the market drawdown began in 2022, mutual fund marks have fallen less than secondary valuations, potentially due to a more active trading and pricing environment in the secondary market. This gap began narrowing in Q4 2023, and secondary prices began converging with mutual fund marks as investors renewed interest. Again, this metric will be closely watched to see if the gap continues narrowing as market conditions potentially improve in 2024.



Visualization Details

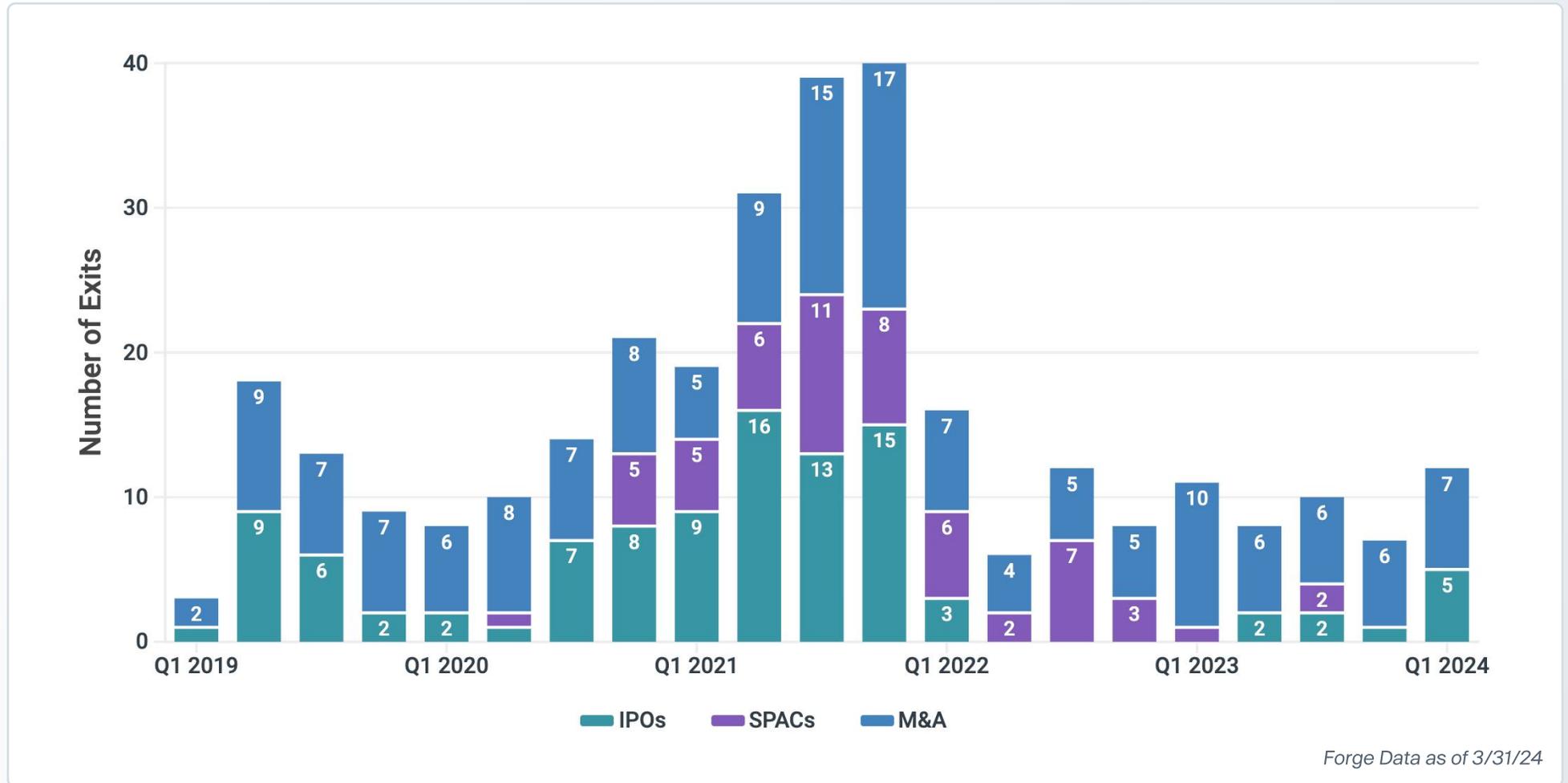
This chart plots the median premium/discount to the last funding round on public mutual fund marks versus the median premium/discount on secondary trades in each month since 2020. Mutual funds are required to report holdings quarterly and the data is released a period of time thereafter, which is why data is up to Q4 2023.

# Exit Activity

**EXIT ACTIVITY**

# High-Profile IPOs Boosted Exit Activity in Q1

There were five IPOs in Q1 2024, a level not seen since Q4 2021. Gains in the early days of trading for marquee names Reddit and Astera Labs suggest an improving IPO market after two challenging years.



**Visualization Details**

This page shows aggregated quarterly exit events since Q1 2019, where at least one of the parties is a Mid- and Late-stage company covered on the Forge platform.

## EXIT ACTIVITY

## Q1 2024 Completed &amp; Announced Exits

## IPOs

Company	Sector	Subsector	Last Funding Round Valuation	Exit Date
CG Oncology	Healthcare	Biotech & Pharma	\$615M	1/25/24
Alto Neuroscience	Healthcare	Biotech & Pharma	\$236M	2/2/24
Fractyl	Healthcare	Biotech & Pharma	\$873M	2/2/24
Astera Labs	Technology Hardware	Computing Hardware	\$3.2B	3/20/24
Reddit	Consumer & Lifestyle	Social	\$10.0B	3/21/24

## Completed Mergers &amp; Acquisitions

Company	Sector	Subsector	Last Funding Round Valuation	Exit Date
JOBOX.ai	Enterprise Software	Data Intelligence	\$171M	1/4/24
Cadre	Enterprise Software	Cybersecurity	\$3.4B	1/23/24
NEXT Trucking	Industrial	Industrial Software	\$199M	2/12/24
Aiolos Bio	Healthcare	Biotech & Pharma	\$436M	2/14/24
Untapped	Enterprise Software	Human Resources	\$400M	2/20/24
Twill	Healthcare	Digital Health	\$409M	2/21/24
data.ai	Enterprise Software	Sales & Marketing / Adtech	\$463M	3/18/24
Superpedestrian	Transportation	Electric Vehicles	\$586M	3/12/24

## Anticipated M&amp;A Transactions and IPOs Based on Q1 2024 Activity

Company	Sector	Subsector	Last Funding Round Valuation	Event Date	Status
Harry's	Consumer & Lifestyle	Clothing, Fashion, & Beauty	\$2.5B	3/7/24	IPO Confidentially Filed
Delphix	Enterprise Software	Data Management/Storage	\$1.0B	2/13/24	M&A Announced
Catalyst	Enterprise Software	Business Operations	\$248M	2/28/24	M&A Announced
Udacity	Education	E-Learning	\$1.1B	3/5/24	M&A Announced

Forge Data as of 3/31/24

## Visualization Details

This page shows individual exit events, filings, and announced M&A in Q1 2024 where a Mid- and Late-stage company covered on the Forge platform is acquired or participated in an IPO or SPAC.

EXIT ACTIVITY

# Forge Price Offers Insight into Private-to-Public Pricing Dynamics

Both Reddit and Astera Labs, which listed one day apart in March, experienced gains in the public market on their first trading days. Reddit's shares closed at \$46.00, marking a 16% increase from their last Forge Price the day before. Astera Labs, capitalizing on the surge in the AI space, saw even greater gains as its shares reached \$62.03 on their opening day – a 192% jump from their last Forge Price.

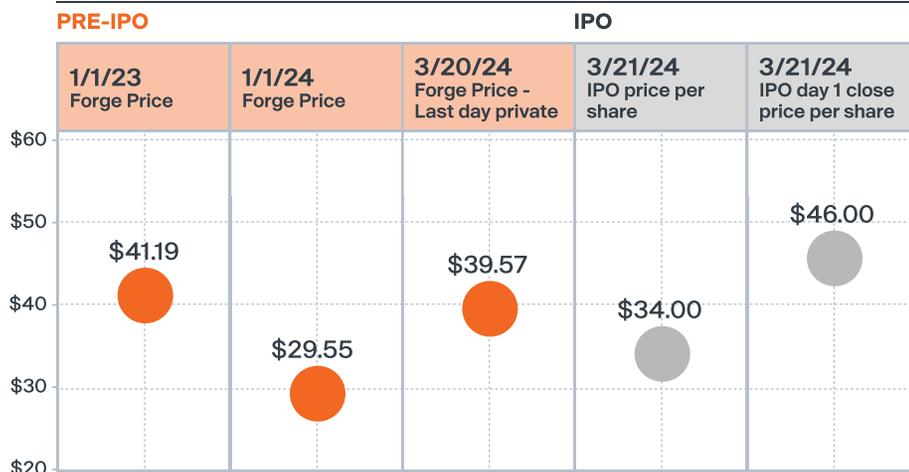


Sector **Consumer & Lifestyle**  
 Subsector **Social**  
 Year Founded **2005**  
 Total Funding **\$1.31B**  
 Last Round Valuation **\$10.02B**

**Description**

Reddit is a network of more than 100,000 communities where people can dive into anything through experiences built around their interests, hobbies, and passions. Reddit users submit, vote, and comment on content, stories, and discussions about the topics they care about the most.

**SHARE PRICE**

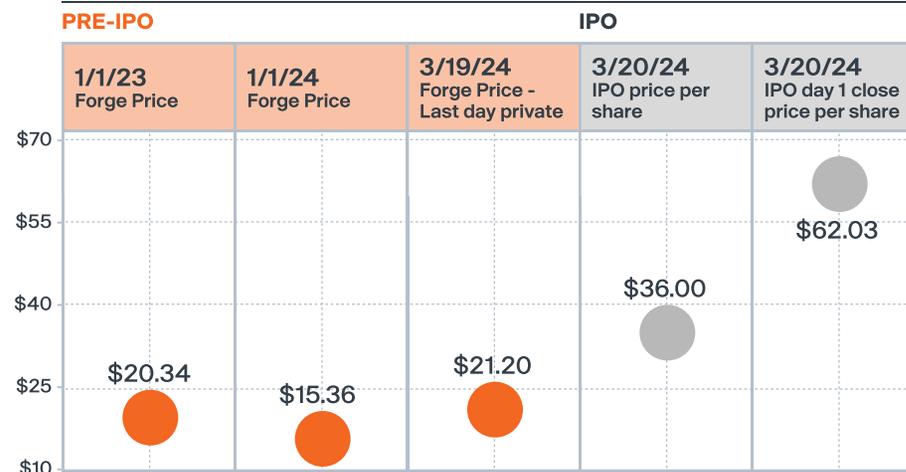


Sector **Technology Hardware**  
 Subsector **Computing Hardware**  
 Year Founded **2017**  
 Total Funding **\$237M**  
 Last Round Valuation **\$3.16B**

**Description**

Astera Labs' cloud-based products are designed to combat bandwidth, capacity, and performance bottlenecks for intensive workloads, including AI and machine learning.

**SHARE PRICE**



Forge Data as of 3/31/24

**Visualization Details**

This page shows pre-IPO and post-IPO prices per share of IPO companies at select dates. For pre-IPO, Forge Price is charted.



# Authors



## Andrew Alden, CFA

### SENIOR DIRECTOR OF QUANTITATIVE RESEARCH

Andrew Alden, CFA, serves as Senior Director of Quantitative Research at Forge Global, where he leads a research team focused on the private market. Prior to this role, Andrew launched Semantiqa, an investment management firm, which focused on the public-market growth equities space. Andrew has also held researcher positions at WeatherStorm Capital and Lattice Strategies (now Hartford Funds).



## Dan Chaparian

### VP OF PRODUCT MARKETING

Dan Chaparian is Vice President of Product Marketing at Forge Global. Prior to joining Forge, Dan was VP, Global Product Marketing, for BlackRock's iShares ETF business. He previously held positions at Apple and Uber and is a former startup founder.



## Craig Derbenwick

### SENIOR DIRECTOR, CONTENT STRATEGY

Craig Derbenwick is Senior Director of Content Strategy at Forge Global. Prior to joining Forge, Craig was a marketing consultant serving investment management and fintech clients. He has also held marketing roles at Brookfield Asset Management, UBS Asset Management, and Envestnet Asset Management.



## Riley Martin

### SENIOR DATA ANALYST

Riley Martin is Senior Data Analyst at Forge Global. Before joining Forge, Riley was a Consultant for Strategy and Analytics at Deloitte, assisting large tech clients with in-depth analysis of global data.

# Contributors

## Howe Ng

### EXECUTIVE VICE PRESIDENT OF INNOVATION AND INVESTMENT SOLUTIONS

Howe Ng is Executive Vice President of Innovation and Investment Solutions at Forge Global. Prior to joining Forge, Howe spent 16 years with BlackRock, where he led Production Innovation for the firm's iShares ETF business and held key roles in the Systematic Active Equity Portfolio Management team.

## Austin Deyan

### PRINCIPAL, CAPITAL MARKETS

Austin Deyan is a Principal, Capital Markets, at Forge Global. Austin has over six years of deal experience in the private secondary markets, where he serves major institutional clients globally. Before joining Forge in 2017, Austin spent two years with J.P. Morgan Asset Management.

## Louis Metzger

### SENIOR FINANCIAL ANALYST

Louis is a Senior Financial Analyst at Forge Global, focusing on valuations and private market trends. Before joining Forge, Louis worked in corporate finance at Initiative Media and was a startup founder.



## Contact Us

If you are new to Forge and would like to discuss the private secondary markets in greater detail, please reach out to [institutions@forgeglobal.com](mailto:institutions@forgeglobal.com). We will assign you a private securities specialist who can guide you through broader market trends or company specific real-time pricing/trading history.