

# Special Purpose Acquisition Companies (SPAC)

Capital markets update

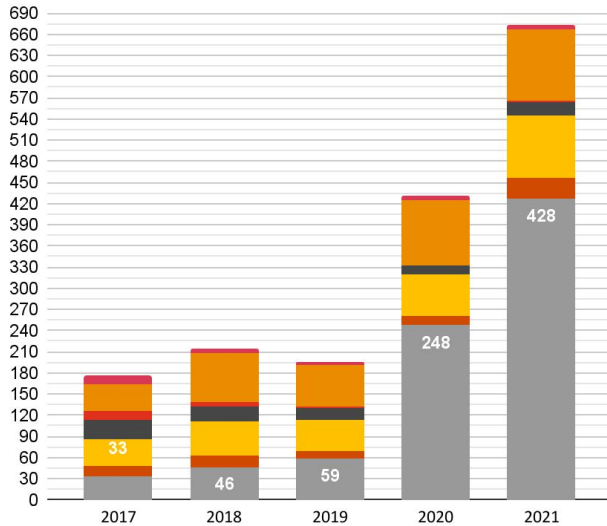
September 2021



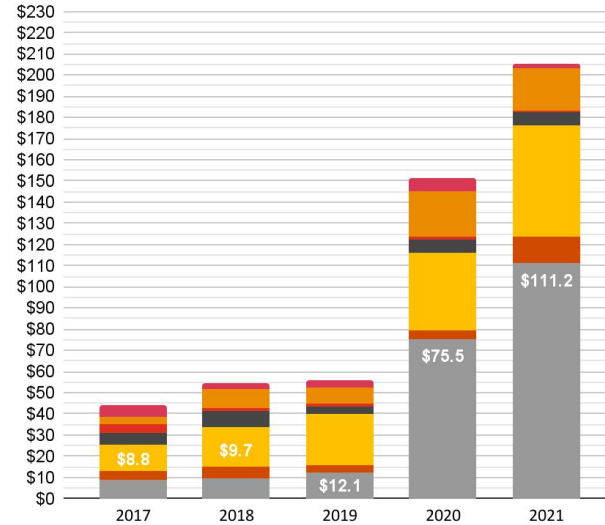
# SPAC: no longer shunned on Wall Street

Having reemerged from the shadows, SPACs are expected to continue their rise in the coming years

US IPO volume by sector



US IPO \$-proceeds by sector (in billions)



\*Source: Dealogic as of 9/10/21. Excludes non-US offerings, non-SEC registrants, SPVs, closed-end funds, offerings less than \$25 million, and offerings that took place on OTC or pink sheet exchanges. All dual listed IPOs include the US portion only for deal value.

- Financial Services
- Industrial Products
- TMT
- Health Services
- Consumer Markets
- Energy, Utilities & Mining
- SPAC

# An alternative to a traditional IPO

SPAC activities have been on a significant rise over the last few years due to several factors



**Volatile IPO markets** have made it difficult to determine the right IPO “window”. Some argue that the **IPO process is broken and may be underpriced**, which stems from hand picked prices (vs market prices) and buyers selected by investment banks, resulting in reduced capital available to companies.



Increasing **acceptance by small- and mid-size companies**, which make-up the SPAC Target company population and are typically not traditional IPO candidates. SPACs may provide **greater economics certainty** for these growth companies, including **negotiated deal values** and access to **liquidity resources**



More **ability to structure flexible deal terms** (i.e., earnouts) coupled with an **opportunity to privately test and establish value** through private placement (i.e., PIPE) offerings during the negotiation process.



Increasing **sophistication of public market investors** and the strong demand for private equity-style investments with a resurgence of a **new generation of SPACs backed by experienced sponsors, management teams, and operating partners** with successful track records.



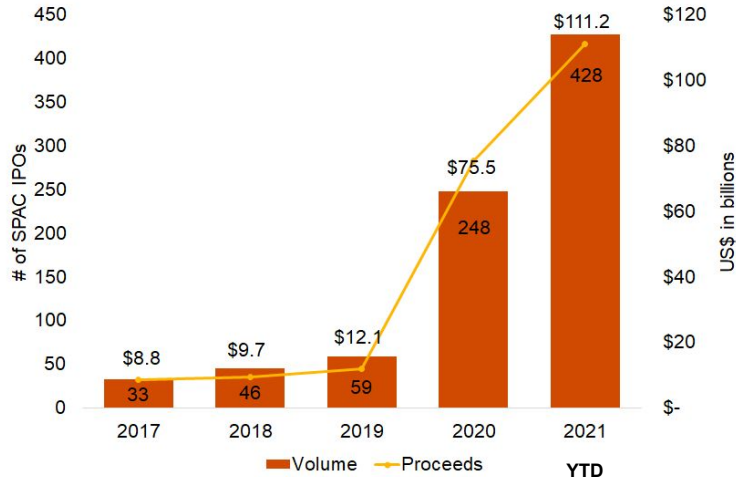
SPAC mergers typically provide investors with **more transparency** and **access to management** as compared to IPOs (i.e. forward looking guidance from management)

# SPAC IPOs have slowed down considerably since March

2021 YTD: 428 SPAC IPOs have raised about \$111.2 bn

Month	Volume	SPAC Proceeds (bn)	% of IPO Proceeds
Sep-21	9	1.70	100%
Aug-21	31	5.07	84%
Jul-21	26	4.86	24%
Jun-21	32	6.05	21%
May-21	19	3.69	40%
Apr-21	13	2.79	21%
Mar-21	109	32.84	66%
Feb-21	98	31.28	79%

Sep-21 slows pace after record monthly highs in Mar-21 for both SPAC IPO volume and proceeds



## Recent Trends for SPACs and De-SPACs

- Warrant restructuring
- SEC: Projections & Securities Laws
- PIPE selectivity and backup
- Valuation resets

## Recent SPAC IPOs

Pricing Date	SPAC	Proceeds (\$mm)	Proposed M&A Industry Target(s)
Sep 10	SILVERspac Inc	\$250	Financial Services
Sep 10	Bannix Acquisition Corp	\$60	TMT
Sep 9	Future Health ESG Corp	\$200	Not specified
Sep 9	First Light Acquisition Group Inc	\$200	Not specified
Sep 7	Banner Acquisition Corp	\$150	Not specified
Sep 2	Digital World Acquisition Corp	\$250	Not specified
Sep 2	Oxus Acquisition Corp	\$150	Not specified
Sep 1	Insight Acquisition Corp	\$240	Financial Services
Sep 1	DTRT Health Acquisition Corp	\$200	Health Services
Aug 31	Concord Acquisition Corp II	\$250	Financial Services
Aug 30	CHW Acquisition Corp	\$110	Not specified
Aug 30	Alpine Acquisition Corp	\$100	Financial Services
Aug 25	Springwater Special Situations Corp	\$150	Not specified
Aug 25	Minority Equality Opportunities Acquisition Inc	\$110	Not specified
Aug 25	Cascadia Acquisition Corp	\$150	Not specified
Aug 19	Waverley Capital Acquisition Corp 1	\$200	Financial Services
Aug 13	Jupiter Acquisition Corp	\$150	Not specified
Aug 13	AxonPrime Infrastructure Acquisition Corp	\$150	Industrial Products
Aug 12	CENAQ Energy Corp	\$150	Energy, Utilities & Mining

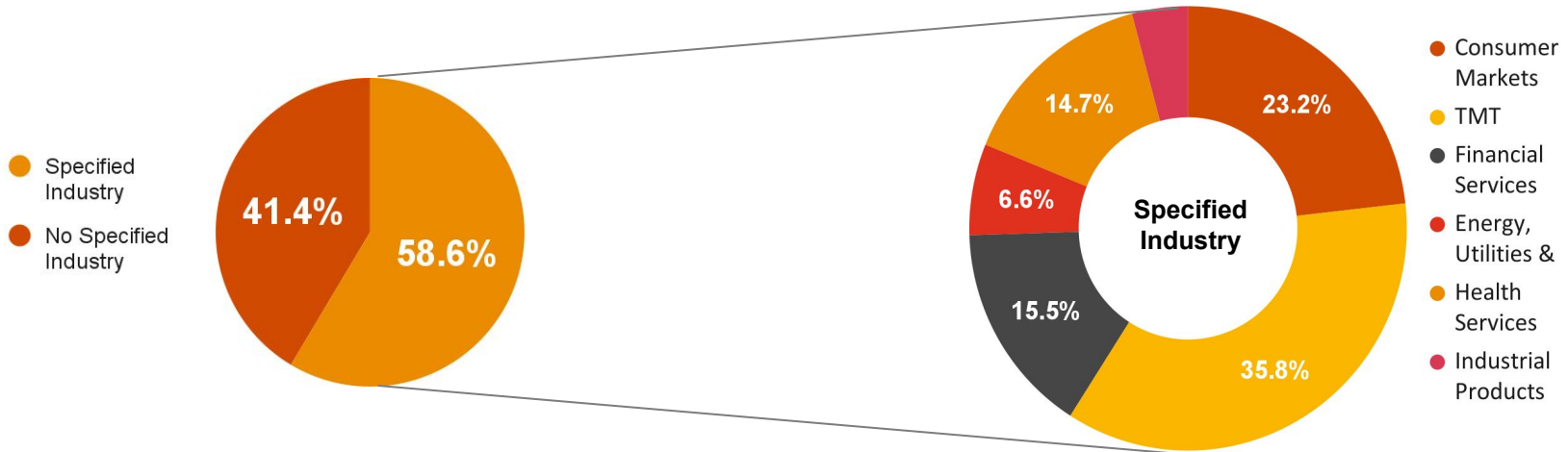
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# SPAC investment thesis

The investment thesis helps focus a SPAC's identification of a Target company and complete a merger

While some SPACs choose to be “**generalists**”, most SPACs tend to focus on specific **industries** or **geographic** regions that highlight the specialized experience of founders and management teams

SPAC IPOs from 2012 to August 2021 YTD

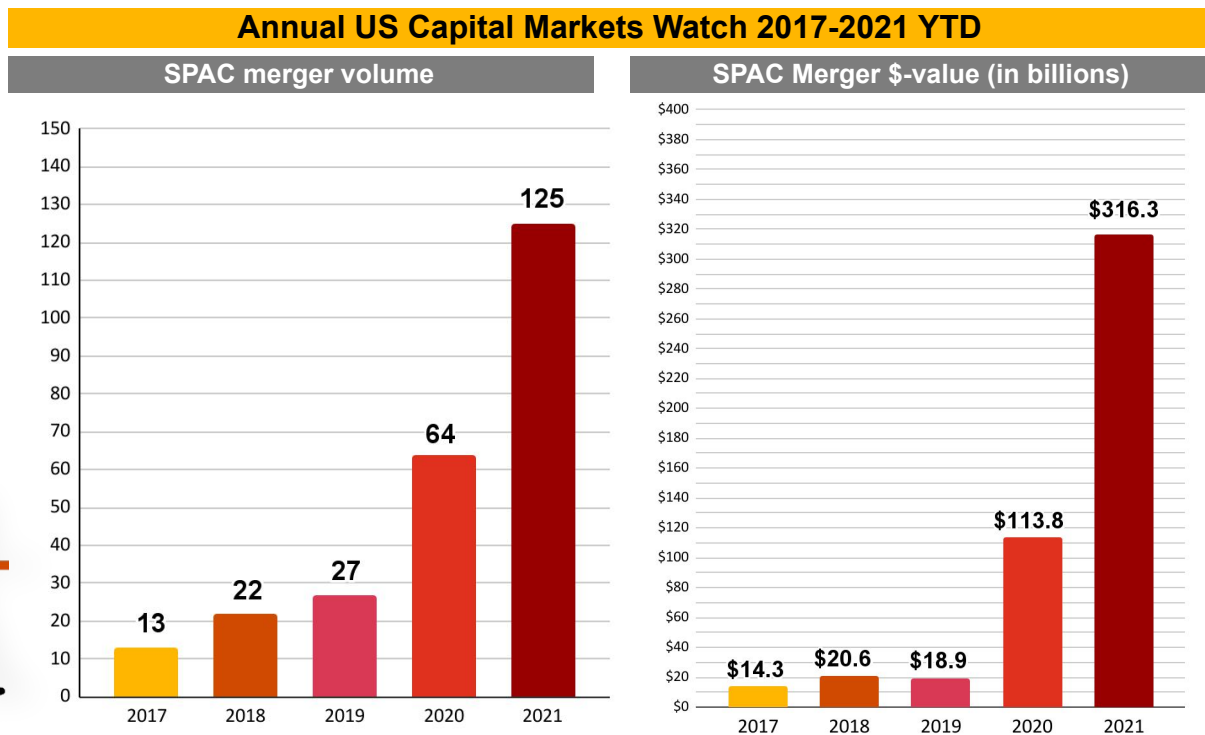


**SPACs typically do not engage with Target companies prior to their SPAC IPO** as doing so could require additional disclosures of the Target company (e.g. financials)

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# Capital raised through SPAC mergers

Operating companies are increasingly looking to SPACs as a source of liquidity



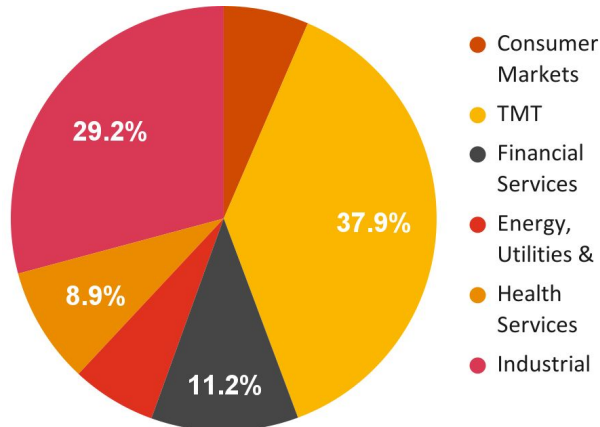
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# Tech and Industrial Products lead de-SPAC activity

## 2017-2021 YTD: 251 SPACs have completed acquisitions



## 2017-2021 YTD: Tech & Industrial Products lead de-SPAC activity

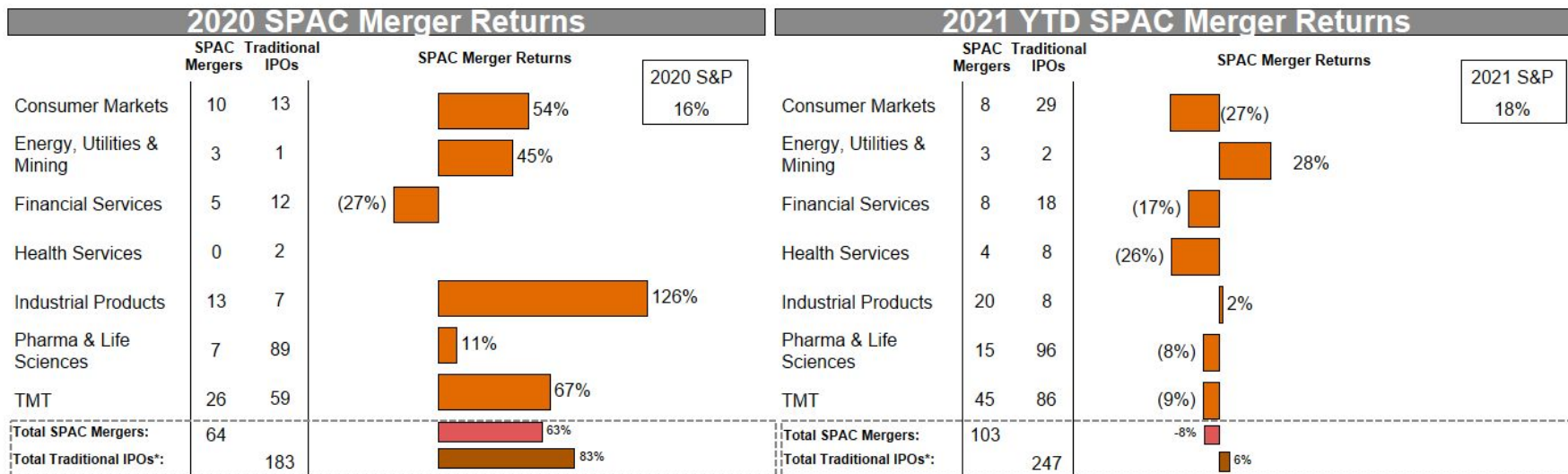


## 2021 YTD: robust sector diversity among recent SPAC M&A

Close Date	SPAC	M&A Target Name	M&A Target Industry
Sep 9	Osprey Technology Acquisition Corp	BlackSky Holdings Inc	Financial Services
Sep 3	Centricus Acquisition Corp	Arqit Ltd	TMT
Sep 2	Chardan Healthcare Acquisition 2 Corp	Renovacor Inc (pre-2021)	Health Services
Sep 2	Genesis Park Acquisition Corp	Redwire	Industrial Products
Sep 1	CM Life Sciences II Inc	SomaLogic Inc (pre-2021)	Health Services
Sep 1	Supernova Partners Acquisition Co Inc	Offerpad LLC	TMT
Aug 30	TWC Tech Holdings II Corp	Cellebrite Mobile Synchronization Ltd	TMT
Aug 27	Ajax I	Cazoo Ltd	TMT
Aug 27	Good Works Acquisition Corp	Cipher Mining Technologies Inc	TMT
Aug 27	Kismet Acquisition One Corp	Nexters Global Ltd	TMT
Aug 27	LGL Systems Acquisition Corp	IronNet Cybersecurity Inc	TMT
Aug 26	Alpha Healthcare Acquisition Corp	Humacyte Inc (pre-2021)	Health Services
Aug 26	Tortoise Acquisition Corp II	Volta Industries Inc	Energy, Utilities & Mining
Aug 25	Locust Walk Acquisition Corp	Effector Therapeutics Inc (pre-2021)	Health Services
Aug 25	Vector Acquisition Corp	Rocket Lab USA Inc (pre-2021)	Industrial Products
Aug 24	Fifth Wall Acquisition Corp I	SmartRent.com Inc	TMT
Aug 23	LIV Capital Acquisition Corp	AgileThought LLC	TMT
Aug 23	RMG Acquisition Corp II	Renew Power Pvt Ltd	Energy, Utilities & Mining
Aug 20	NextGen Acquisition Corp	Xos Trucks Inc	Industrial Products
Aug 16	CF Finance Acquisition Corp III	AEye Inc (pre-2021)	TMT
Aug 16	NavSight Holdings Inc	Spire Global Inc (pre-2021)	TMT
Aug 16	New Beginnings Acquisition Corp	Airspan Networks Inc	TMT
Aug 13	GreenVision Acquisition Corp	Helbiz Inc (pre-2021)	TMT
Aug 13	Software Acquisition Group Inc II	Otonomo Technologies Ltd	TMT

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# De-SPAC merger returns have lagged behind IPO markets



Source: CapIQ and Dealogic. Population consists of SPACs that have completed merger in the period presented. 2020 returns are measured from SPAC IPO date to year-end and 2021 returns are measured from SPAC IPO date to 8/19/2021.

\* Traditional IPO returns exclude SPACs.





Thank you

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