

THE **SPAC**
CONFERENCE 2021

SPACs By The Numbers

Benjamin Kwasnick
Founder & CEO, SPAC Research

June 2021

SPAC Research

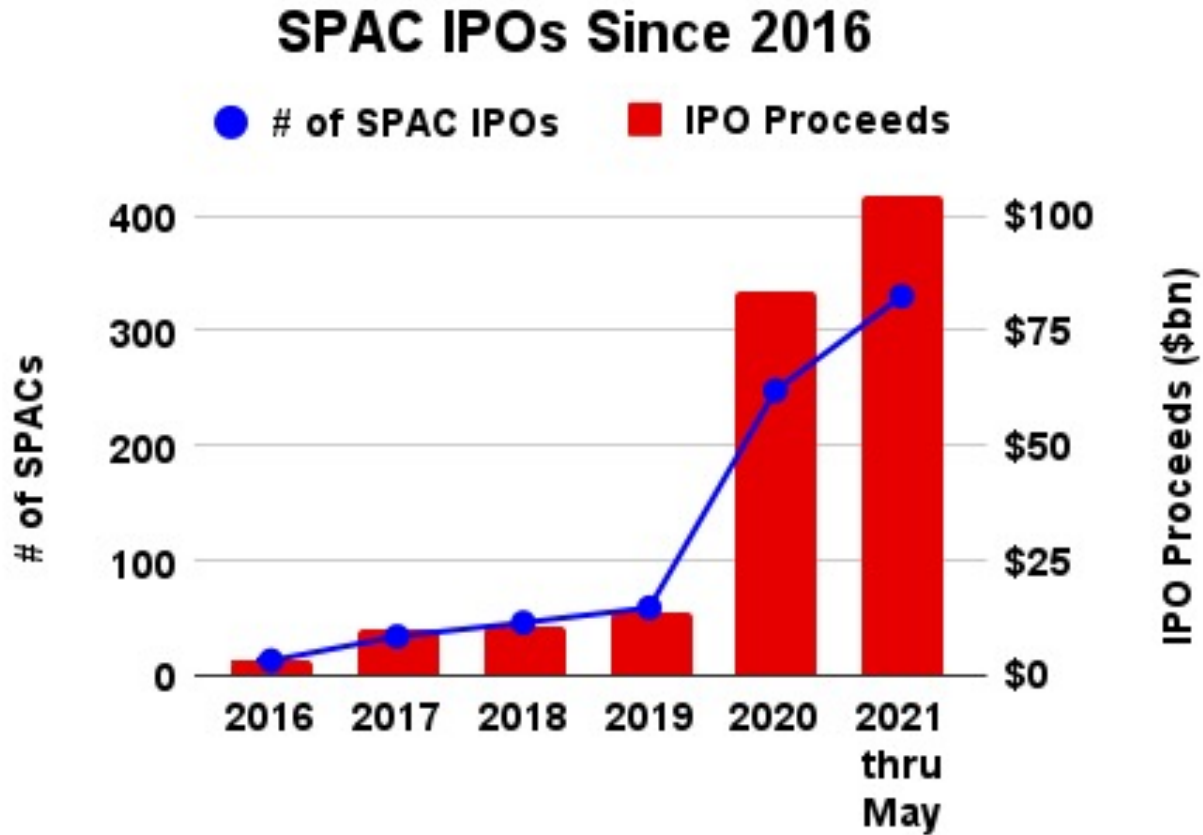




OVERVIEW

- Formation and capital raising activity
- Outcomes and stock performance
- Financing trends
- Trading and market dynamics

IPO CAPITAL RAISED

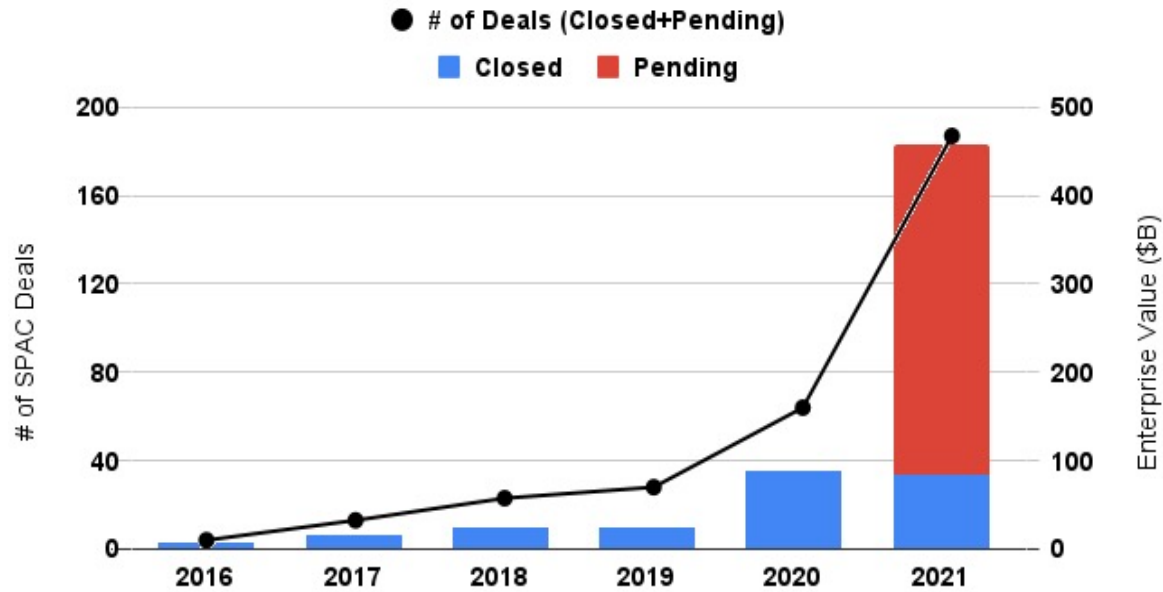


- Almost 600 domestic SPAC IPOs Since 2020
- Nearly \$200B in total proceeds
- Represents a majority of total US IPO market



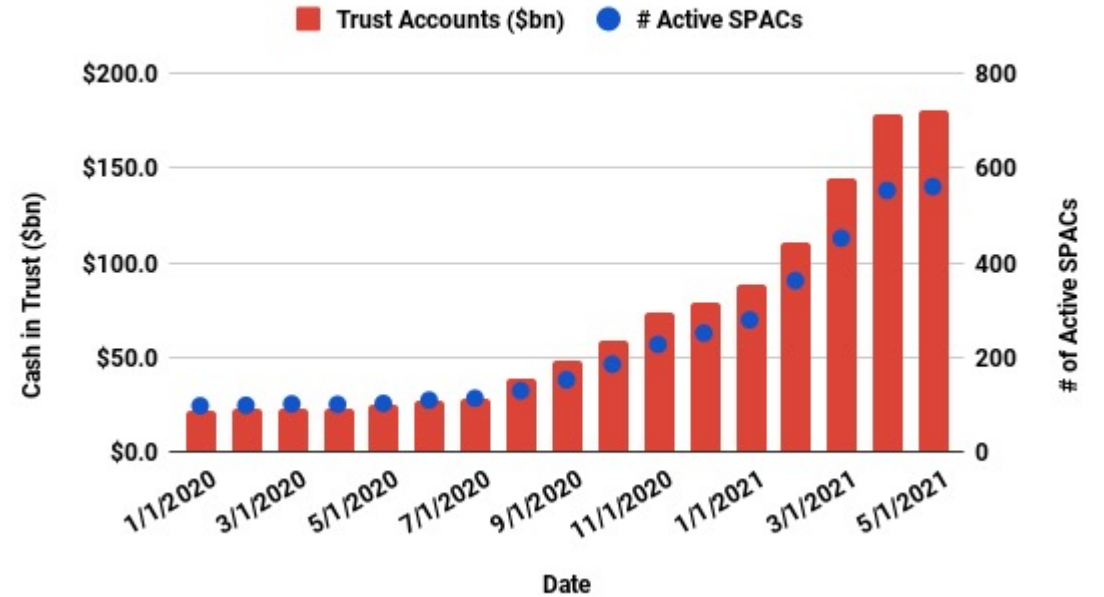
SPAC DEAL VOLUME

SPAC Deals Since 2016



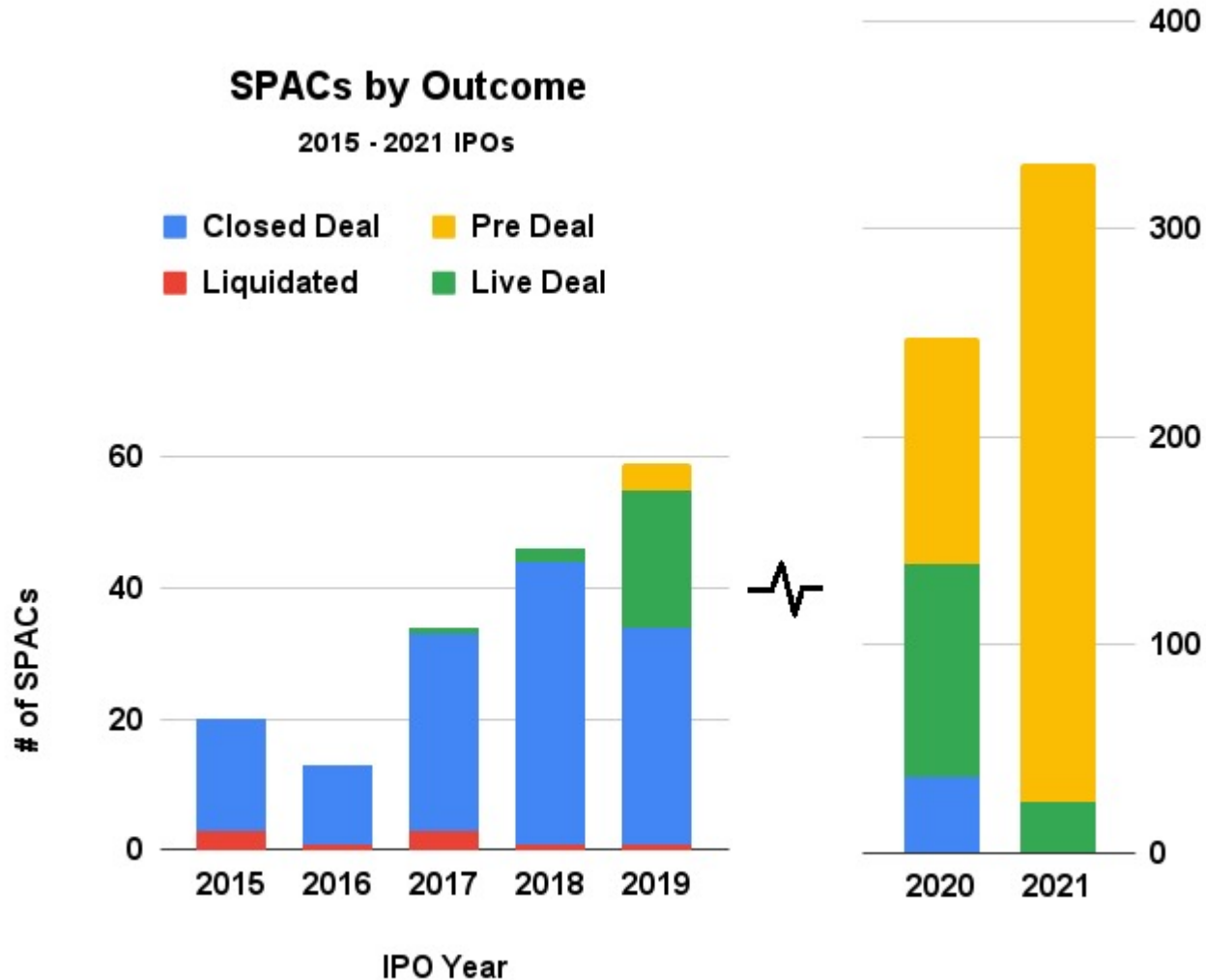
~200 deals in 2021 YTD representing
~\$500B of enterprise value

Active SPACs and Cash in Trust Summary



- \$180B+ of cash in SPAC trust accounts
- \$1T+ in enterprise value may come public via current SPAC pipeline

SPAC OUTCOMES: OVER LIFECYCLE

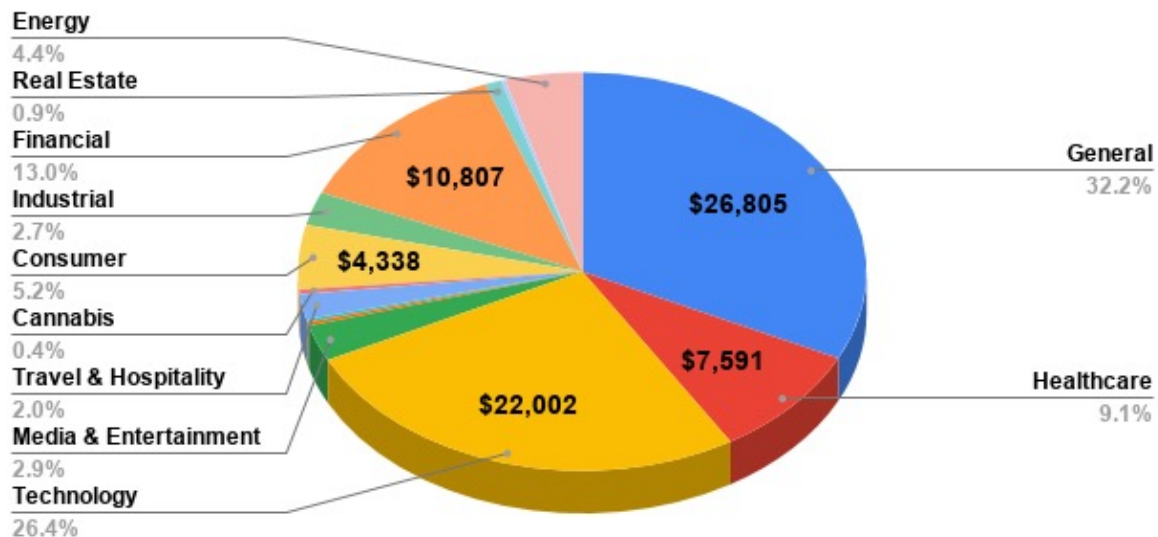


- SPAC transactions can accommodate a variety of structures to align stakeholder objectives
- Agency conflict is largely overblown
- Liquidation rates have been very low but are likely to increase



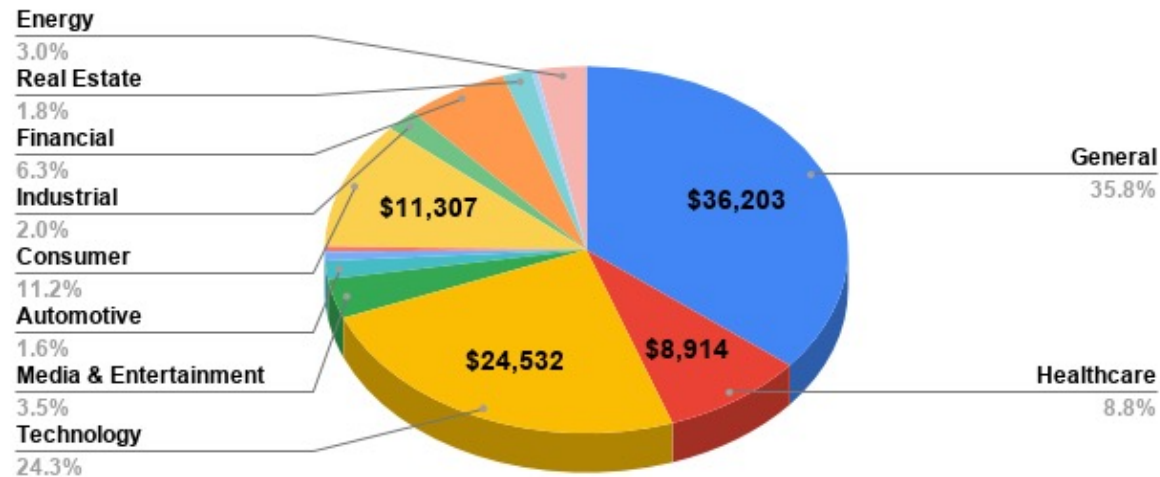
IPO SECTOR FOCUS

2020 SPAC Capital Raised by Sector



2021 SPAC Capital Raised by Sector

January-April

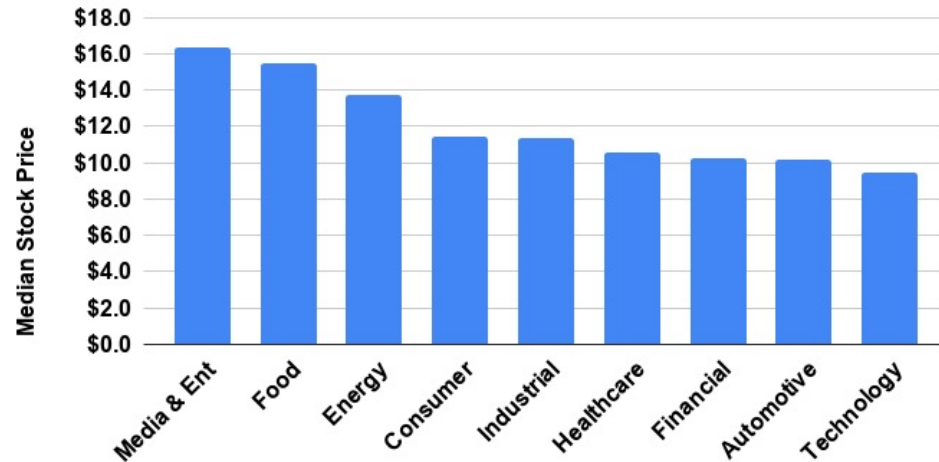




SECTOR TRENDS

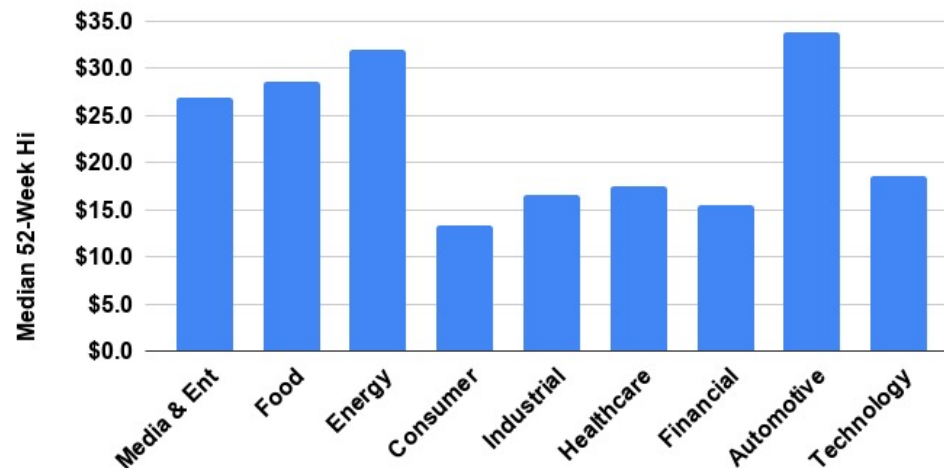
Median Stock Price by Sector

Closed SPAC Deals Since 2020



Median 52-Week High by Sector

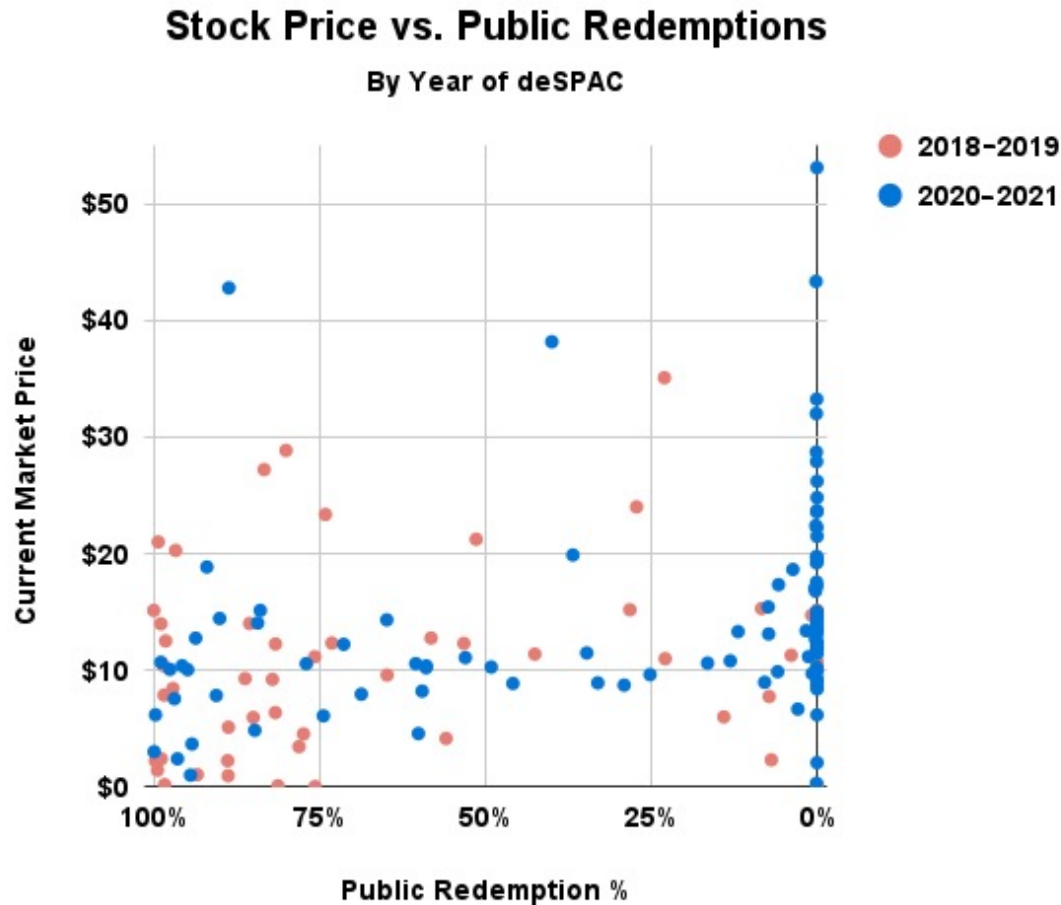
Closed SPAC Deals Since 2020



- Several sectors have given the public access to growth-stage companies
- Sector and thematic investments have driven activity
- Automotive deals falling out of favor
- It's hard to be a contrarian: market is rapidly evolving. Cookie cutter approach doesn't work.



DE-SPAC PERFORMANCE

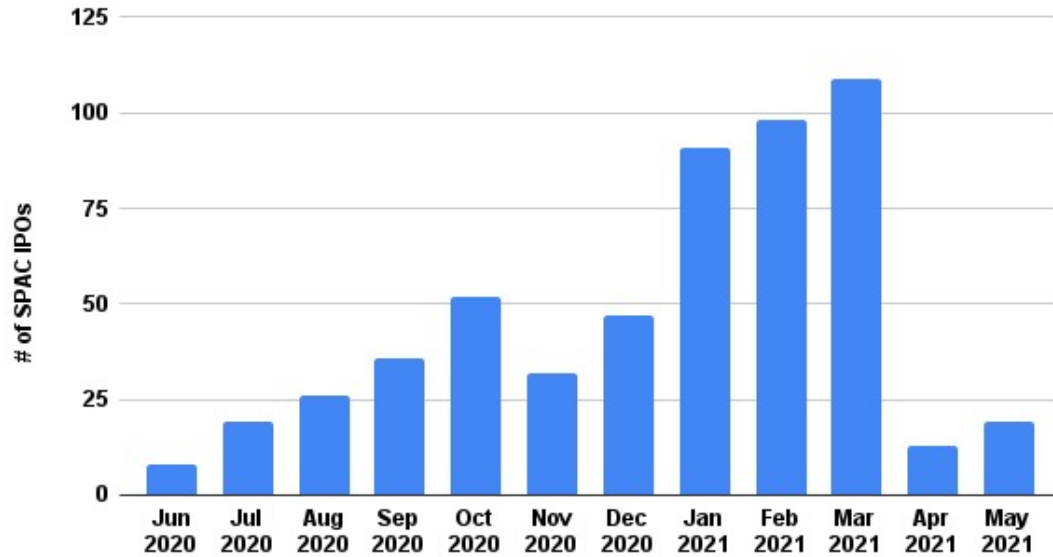


- Public redemptions remain highly correlated with trading performance
- 2020-21 deals have performed better in general
- Many deals with poor stock performance have low public participation due to redemptions and small/no PIPE at Closing



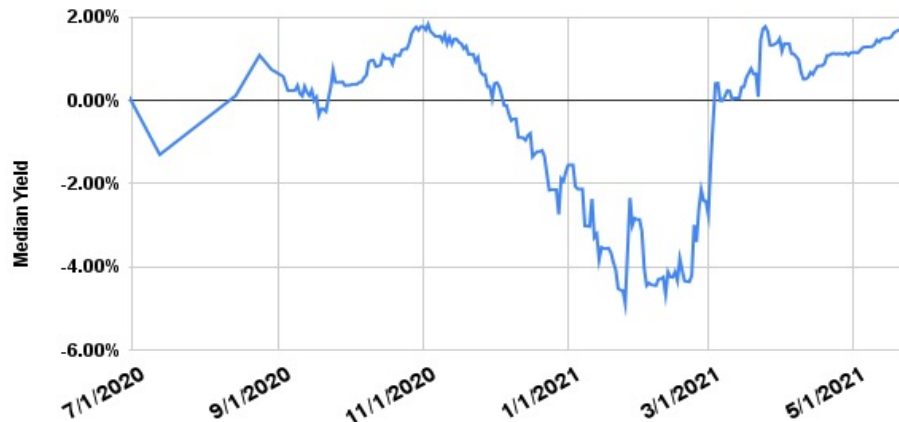
YIELDS & SENTIMENT

Recent SPAC Issuance by Month



Median Yield on SPAC Common Equity

SPACs Without Announced Transaction



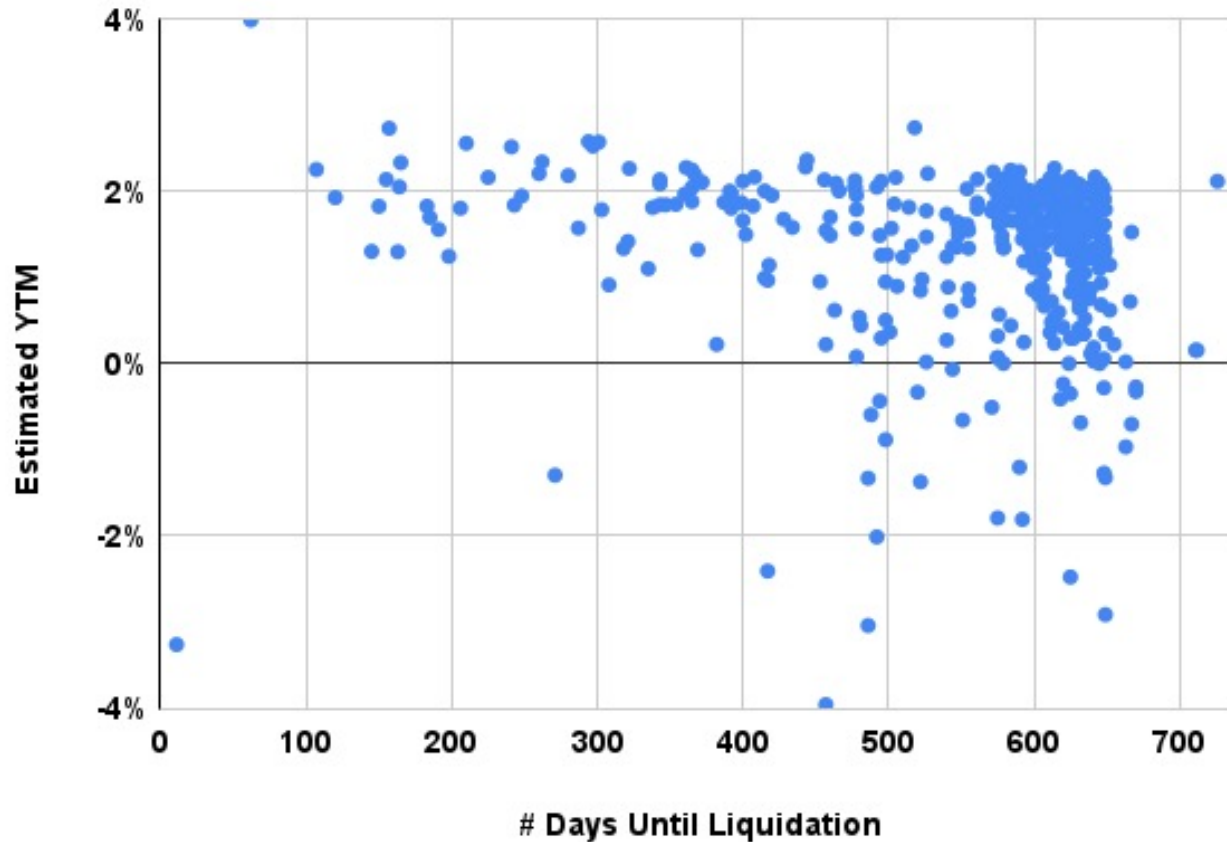
- Yields are a reflection of market sentiment at a given moment
- Issuance peaked at more than \$30B/month in Feb/March
- Conditions are challenging after months of easier issuance



SPAC YIELD CURVE

Estimated Yield vs. Time Remaining

Pre-Deal SPACs (6/15/2021)

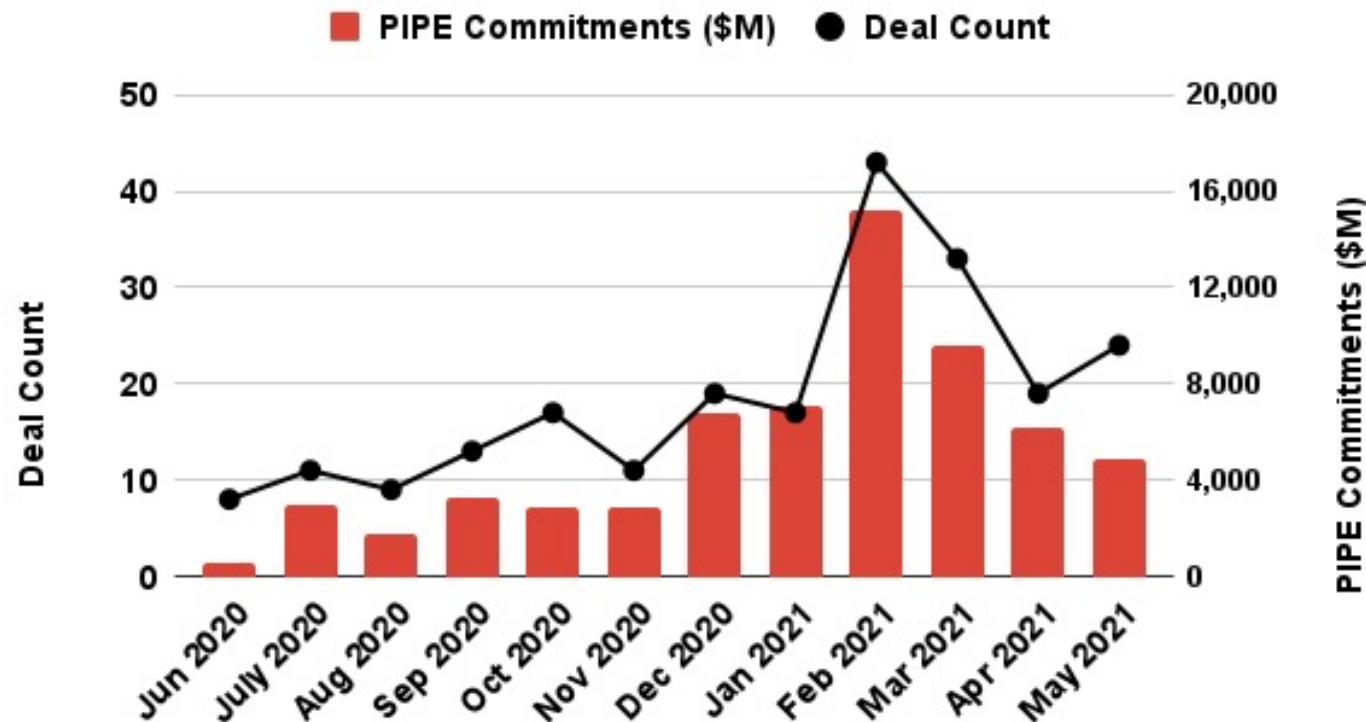


- Almost all Pre-Deal SPACs trading at a discount to trust
- Median yield is ~1.75%
- Some premier names still trade at a premium



PIPE COMMITMENTS

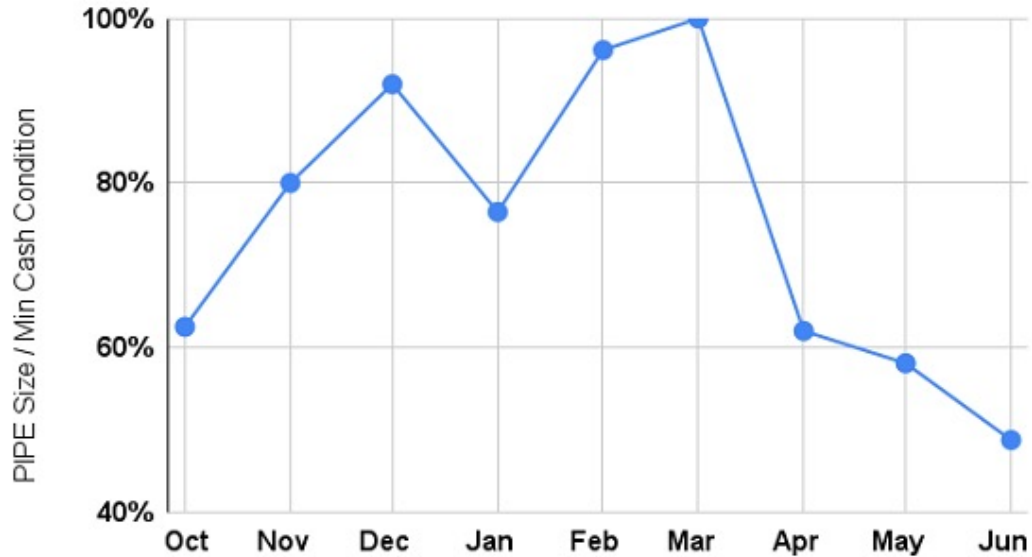
SPAC Deal Announcements and PIPE Financing



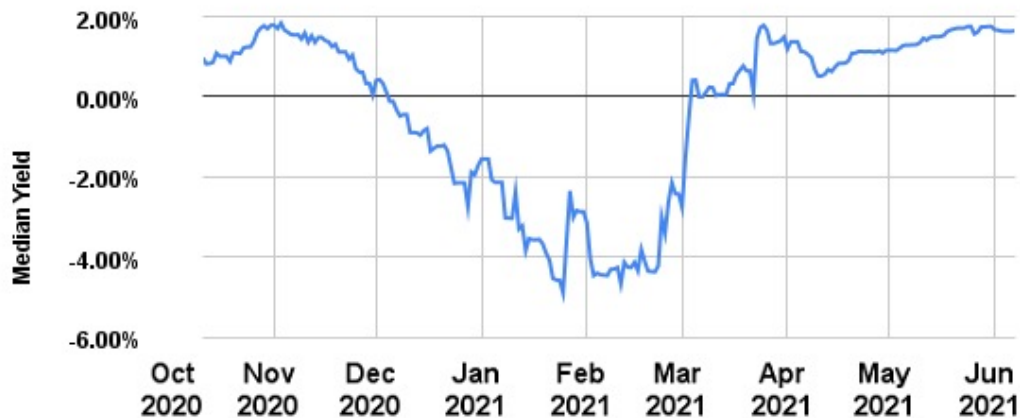
- A large queue of deals are still coming to market and seeking financing
- The PIPE market has tightened considerably since Q1
- Committed financing at deal announcement has fallen materially

MINIMUM CASH COVERAGE RATIOS

Median PIPE Coverage Ratio by Deal Announcement Month



Median Yield on SPAC Common Equity



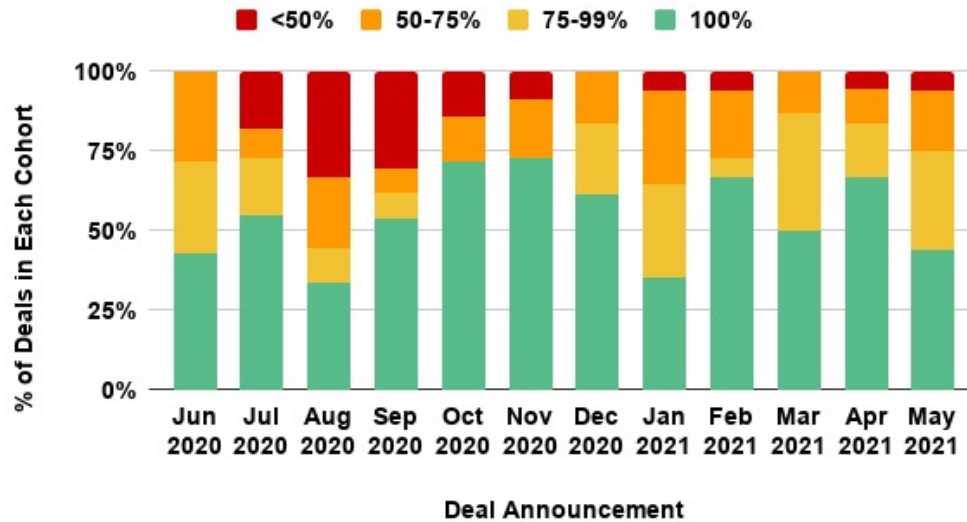
- Tighter financing market has left many deals with less PIPE coverage
- Most Q2 deals no longer covering minimum cash conditions with PIPE commitments
- PIPE financing conditions strongly correlated with broader SPAC sentiment



SPONSOR CONCESSIONS

Promote Retention by Deal Announcement Date

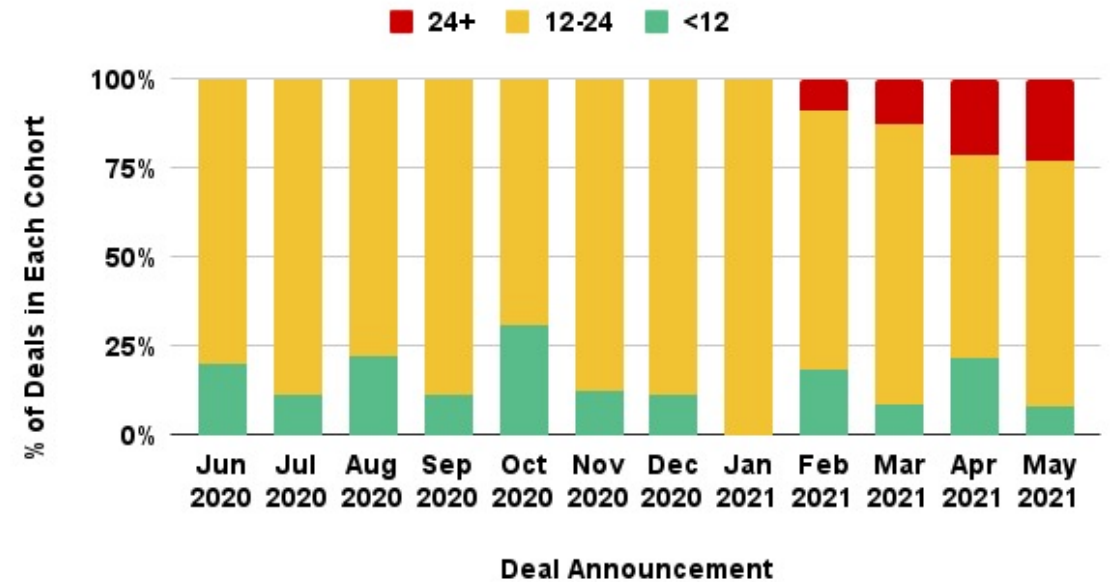
Fraction of Promote Shares Unconditionally Retained



Promote concessions appear sensitive to overall SPAC market conditions

Sponsor Lockups by Deal Announcement Date

Longest Tranche of Sponsor Lockup in Months



Recent SPAC deals appear to feature longer sponsor lockups

Benjamin Kwasnick
Founder & CEO, SPAC Research

Email: bk@spacresearch.com
Office: 773-669-5148

www.spacresearch.com



THE **SPAC**
CONFERENCE 2021

SPAC Research | Supplemental Data

June 2021

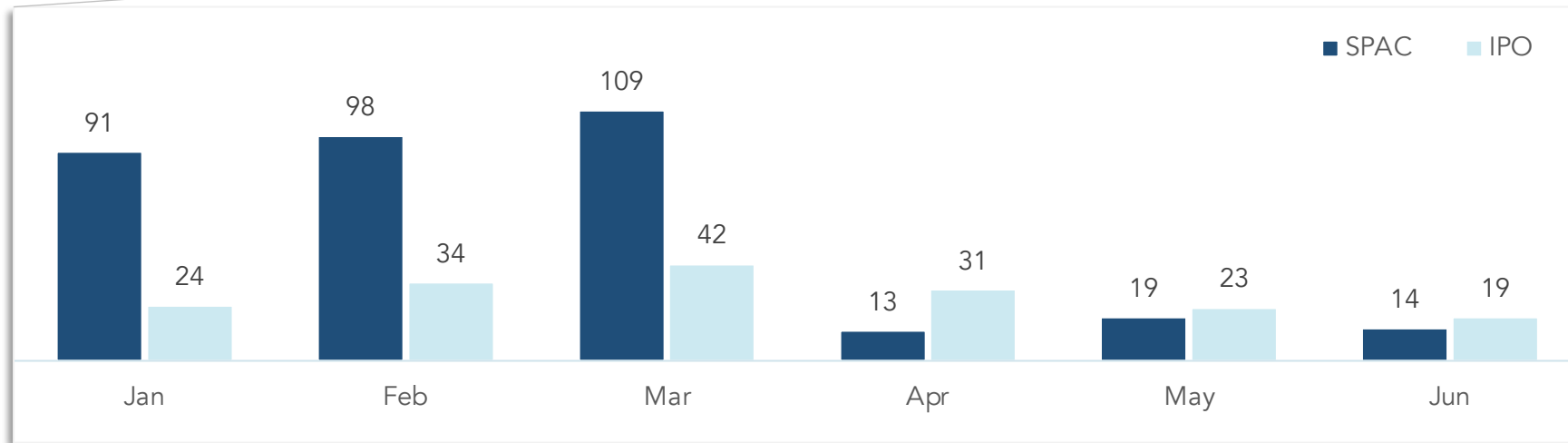
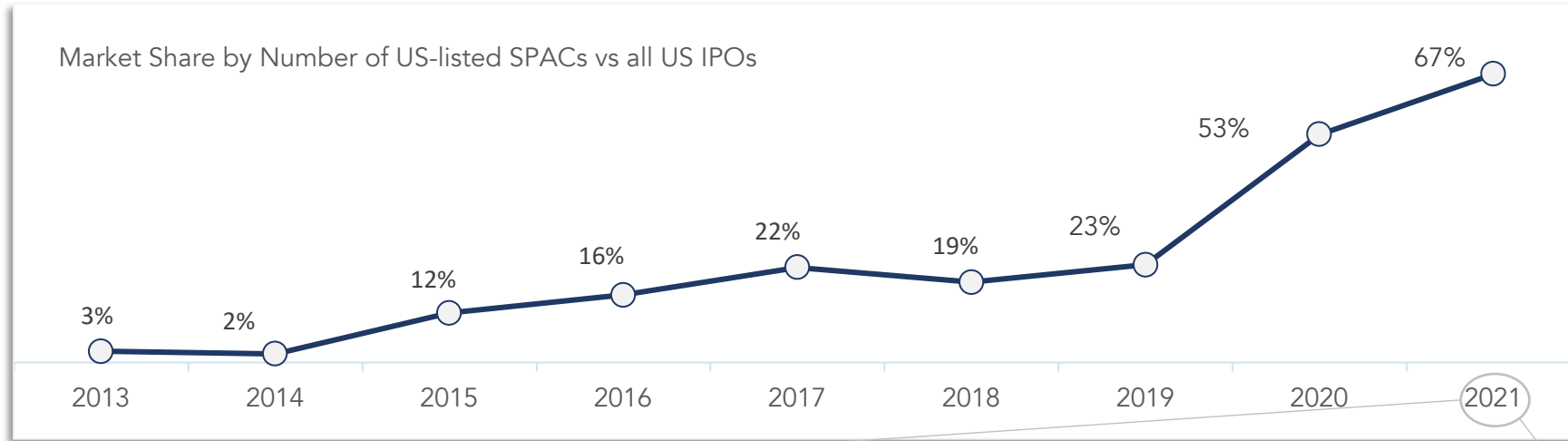
www.spacresearch.com

SPAC Research





US SPACs IPO ACTIVITY AND MARKET SHARE

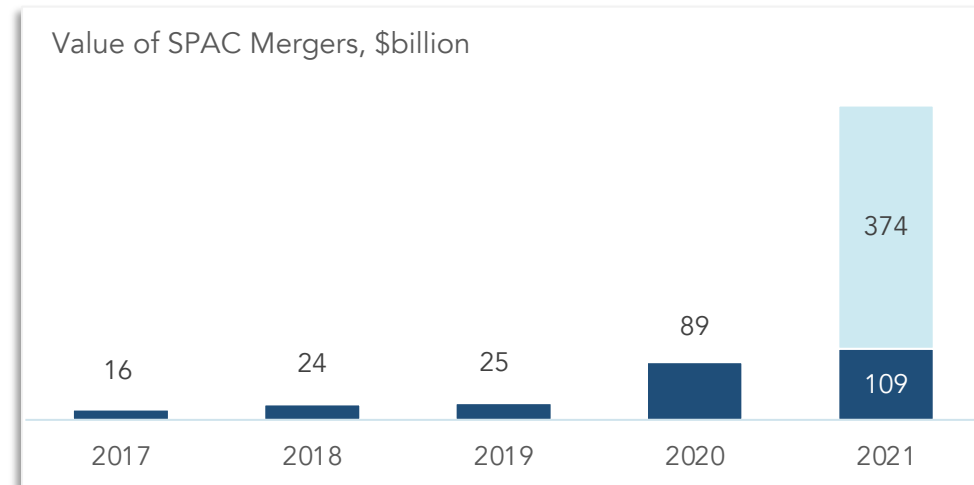
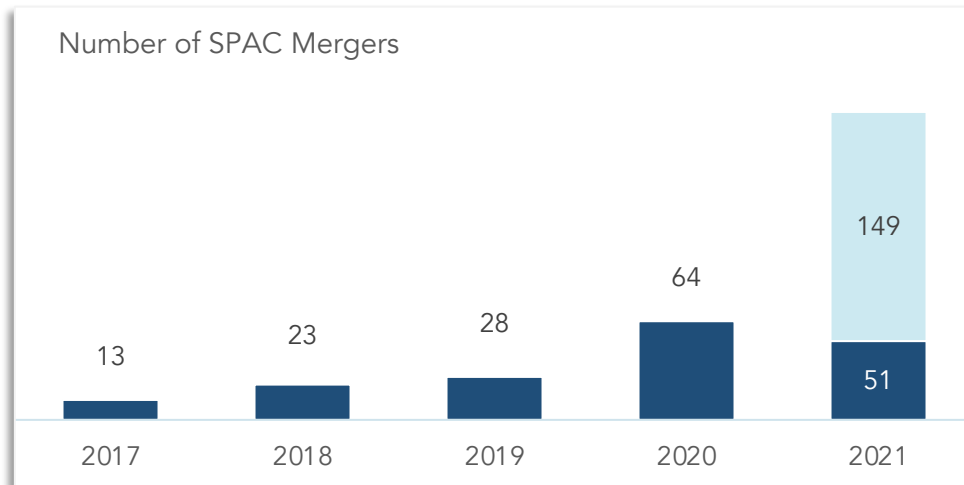
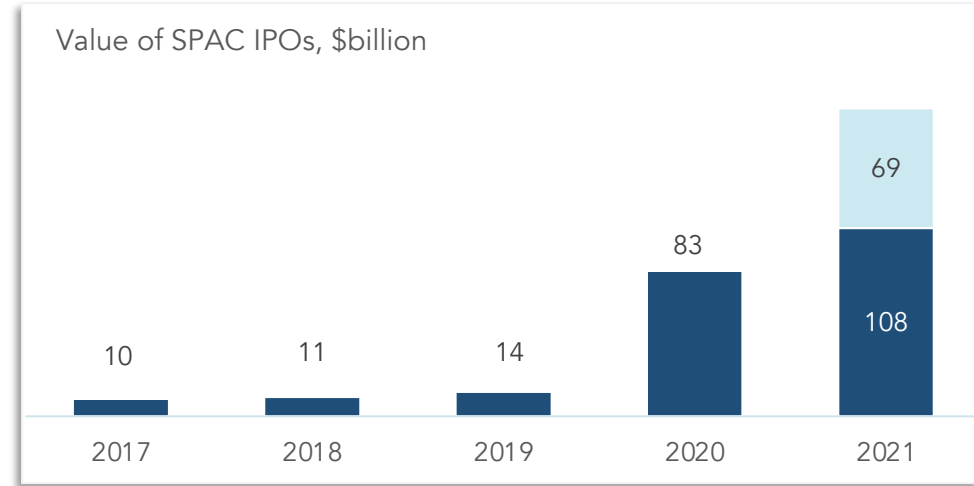
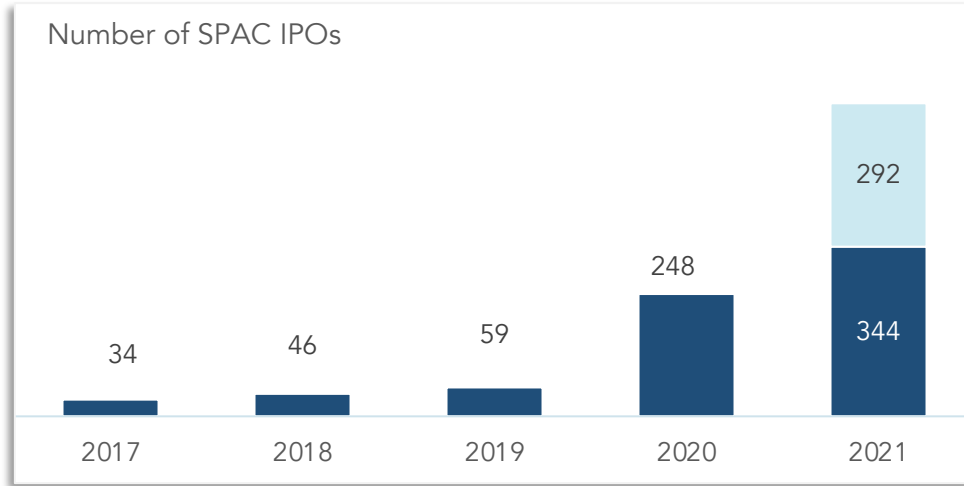


IPO count exclude SPACs, Reg A+ IPOs, closed end funds, non-operating trusts, best efforts offerings and companies with market cap below \$50m
 Data: Renaissance Capital, SPAC Research, as of Jun 17, 2021



SPAC IPOs & MERGERS

■ Closed ■ Pending



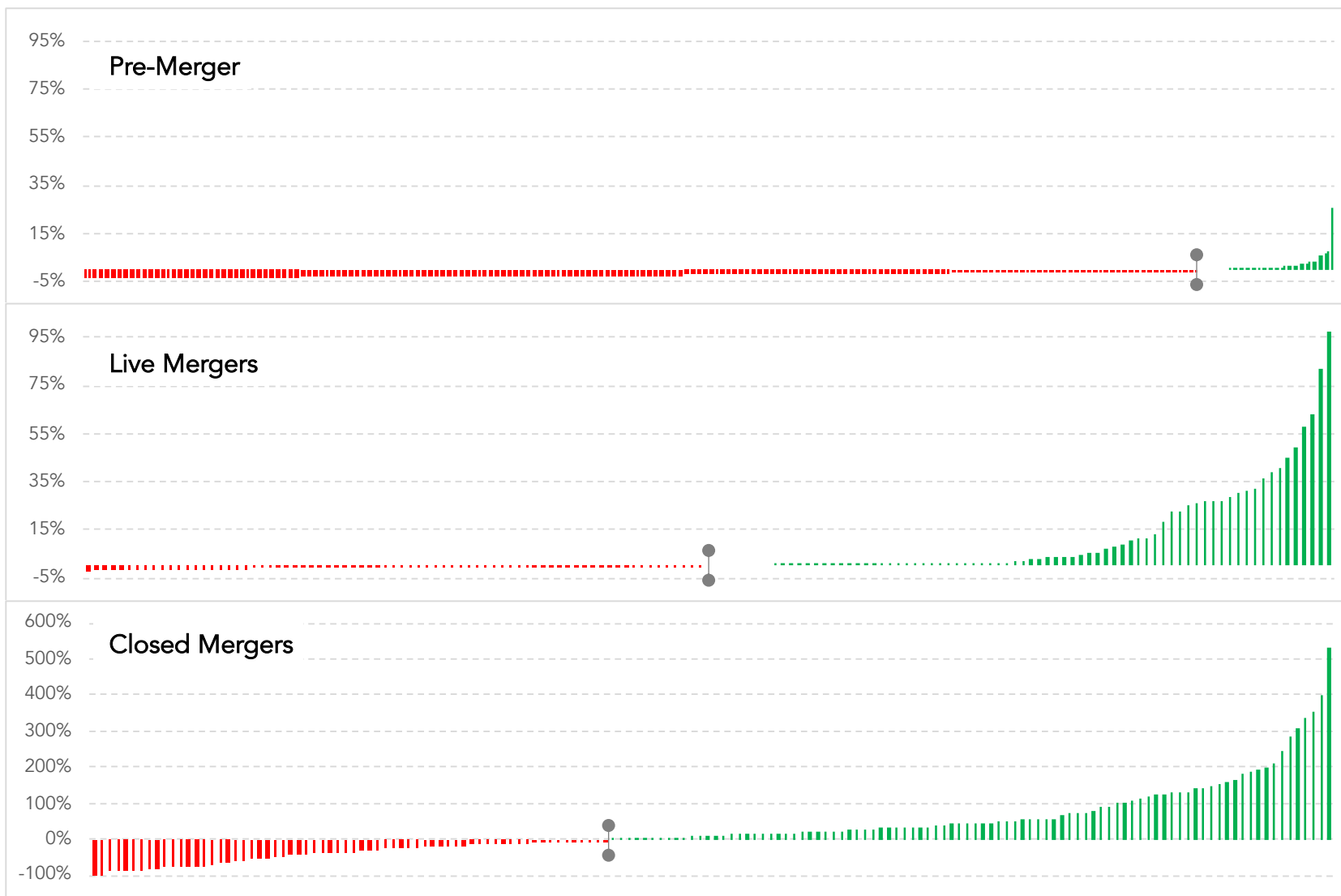


PIPELINE SNAPSHOT: JUN 17, 2021

Pipeline Snapshot	Number	Value, \$billion
Pre-IPO	292	68.7
Active SPACs	572	179.5
- Searching for Mergers	423	133.0
- Live Mergers	149	373.7*
Mergers Closed	51	108.9*
SPACs Liquidated	0	0.0

* Enterprise Value at announcement
Data: SPAC Research, as of Jun 17, 2021

PRICING DISPERSION BASED ON GROWING INFORMATION SUGGESTS MARKET EFFICIENCY



Source: SPAC Alpha analysis of SPAC Research data, Performance as of May 31, 2021 versus \$10.00 baseline



TOP 10 LIVE SPAC MERGERS ANNOUNCED IN 2021

Ranked By Common Stock Prices

SPAC	Ticker	Target	Announced Date	Sector, Geography	Closing Price, \$	52W Range, \$
Churchill IV	CCIV	Lucid Motors	22-Feb-21	Automotive, US	23.55	9.60 – 64.86
Rodgers Silicon Valley Acq	RSVA	Enovix	22-Feb-21	Energy, US	19.75	11.65 – 28.50
Rice Acquisition	RICE	Archaea Energy, Aria Energy	8-Apr-21	Energy, US	16.98	9.62 – 17.90
Gores Holdings VI	GHVI	Matterport	8-Feb-21	Technology, US	14.65	10.45 – 28.00
Climate Real Impact I	CLII	EVgo	22-Jan-21	Automotive, US	14.11	9.75 – 24.34
Leisure Acq	LACQ	Ensysce Biosciences	1-Feb-21	Healthcare, US	13.75	10.11 – 23.99
CM Life Sciences II	CMII	SomaLogic	29-Mar-21	Healthcare, US	13.09	9.66 – 27.18
Property Solutions Acquisition	PSAC	Faraday Future	28-Jan-21	Automotive, US	12.88	10.23 – 14.39
CM Life Sciences	CMLF	Sema4	10-Feb-21	Healthcare, US	12.57	9.65 – 20.75
FAST Acquisition	FST	Fertitta Entertainment	1-Feb-21	Media & Entertainment, US	12.55	9.59 – 13.20



TOP 10 SPAC MERGERS CLOSED IN 2021

Ranked By Common Stock Prices

Post-Merger Name	Ticker	SPAC	Closed Date	Sector, Geography	Closing Price, \$	52W Range, \$
Playboy	PLBY	Mountain Crest Acquisition	10-Feb-21	Consumer, US	36.10	9.85 – 63.04
Stem	STEM	Star Peak Energy Transition	28-Apr-21	Energy, US	35.11	9.60 – 51.49
ChargePoint	CHPT	Switchback Energy Acquisition	26-Feb-21	Industrial, US	31.96	9.85 – 49.48
Genius Sports	GENI	dMY Technology II	20-Apr-21	Technology, Global	22.70	10.10 – 28.26
NeuroRx	NRXP	Big Rock Partners Acquisition	24-May-21	Healthcare, US	22.41	9.76 – 35.75
SoFi	SOFI	Social Capital Hedosophia Holdings Corp. IV	28-May-21	Financial, US	20.87	9.80 – 37.18
Arrival	ARVL	CIIG Merger Corp.	24-Mar-21	Automotive, US	19.42	9.60 – 35.25
Lion Electric	LEV	Northern Genesis Acquisition	6-May-21	Automotive, US	18.61	9.80 – 25.18
PureCycle	PCT	Roth CH Acquisition I	17-Mar-21	Industrial, US	15.78	10.50 – 76.99
AppHarvest	APPH	Novus Capital Corporation	29-Jan-21	Food, US	15.52	9.61 – 42.90



TOP 10 SPAC MERGERS CLOSED IN LAST 5 YEARS

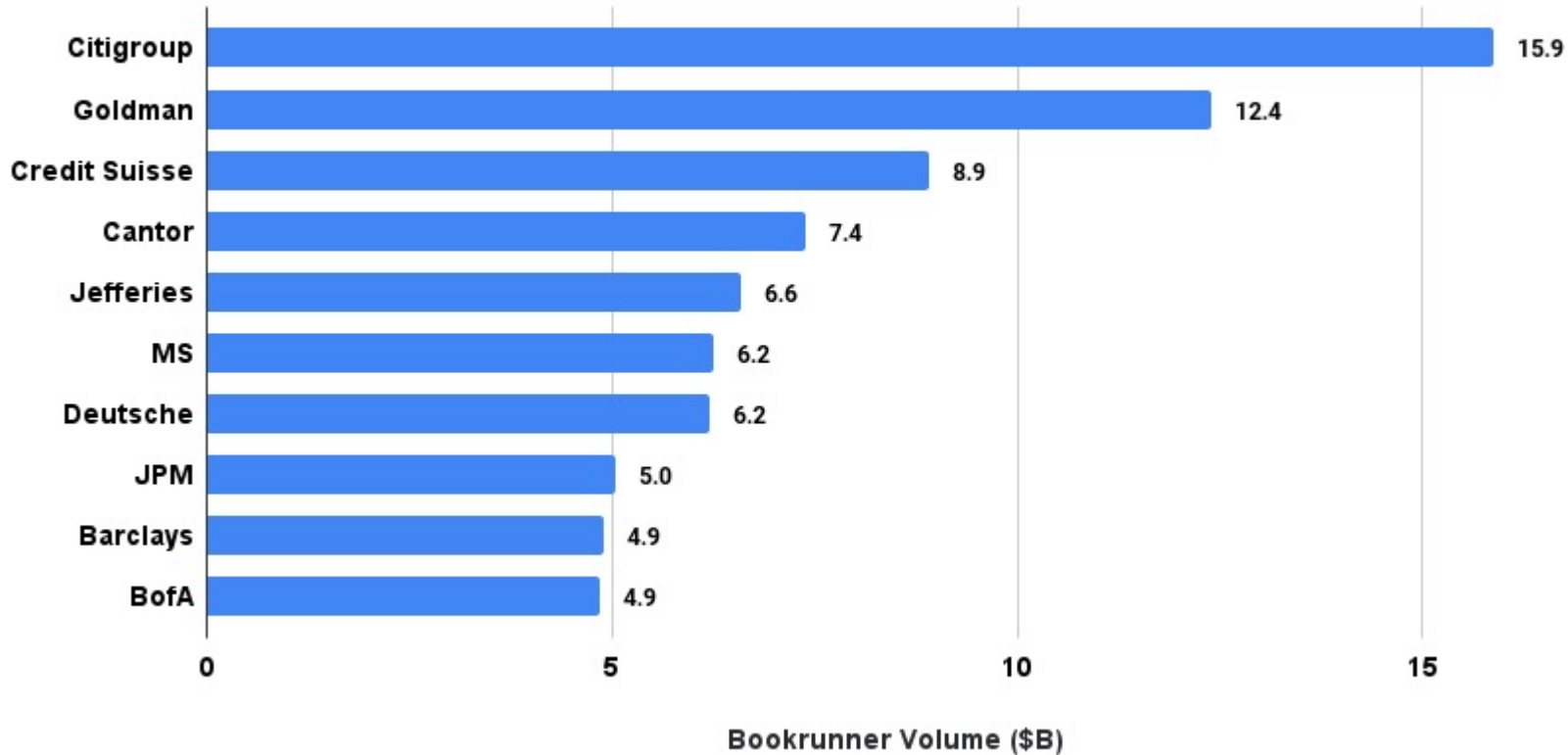
Ranked By Common Stock Prices

Post-Merger Name	Ticker	SPAC	Closed Date	Sector, Geography	Closing Price, \$	52W Range, \$
DraftKings	DKNG	Diamond Eagle	23-Apr-20	Media & Entertainment, US	49.20	27.54 – 74.38
DermTech	DMTK	Constellation Alpha	29-Aug-19	Healthcare, US	43.44	9.64 – 84.49
Betterware	BWMX	DD3 Acquisition	12-Mar-20	Consumer, LatAm	41.51	8.00 – 49.36
Open Lending	LPRO	Nebula Acq	10-Jun-20	Real Estate, US	40.42	14.16 – 43.00
Virgin Galactic	SPCE	Social Capital	25-Oct-19	Travel & Hospitality, US	37.32	14.27 – 62.80
Playboy	PLBY	Mountain Crest	10-Feb-21	Media & Entertainment, US	36.10	9.85 – 63.04
Atkins	SMPL	Conyers Park	7-Jul-17	Food, US	35.84	17.15 – 36.96
Stem, Inc.	STEM	Star Peak Energy Transition	28-Apr-21	Energy, US	35.11	9.60 – 51.49
ChargePoint	CHPT	Switchback Energy	26-Feb-21	Automotive, US	32.39	9.78 – 51.77
MP Materials	MP	Fortress Value	18-Nov-20	Materials, US	31.96	9.85 – 49.48



TOP UNDERWRITERS

2021 SPAC Bankers



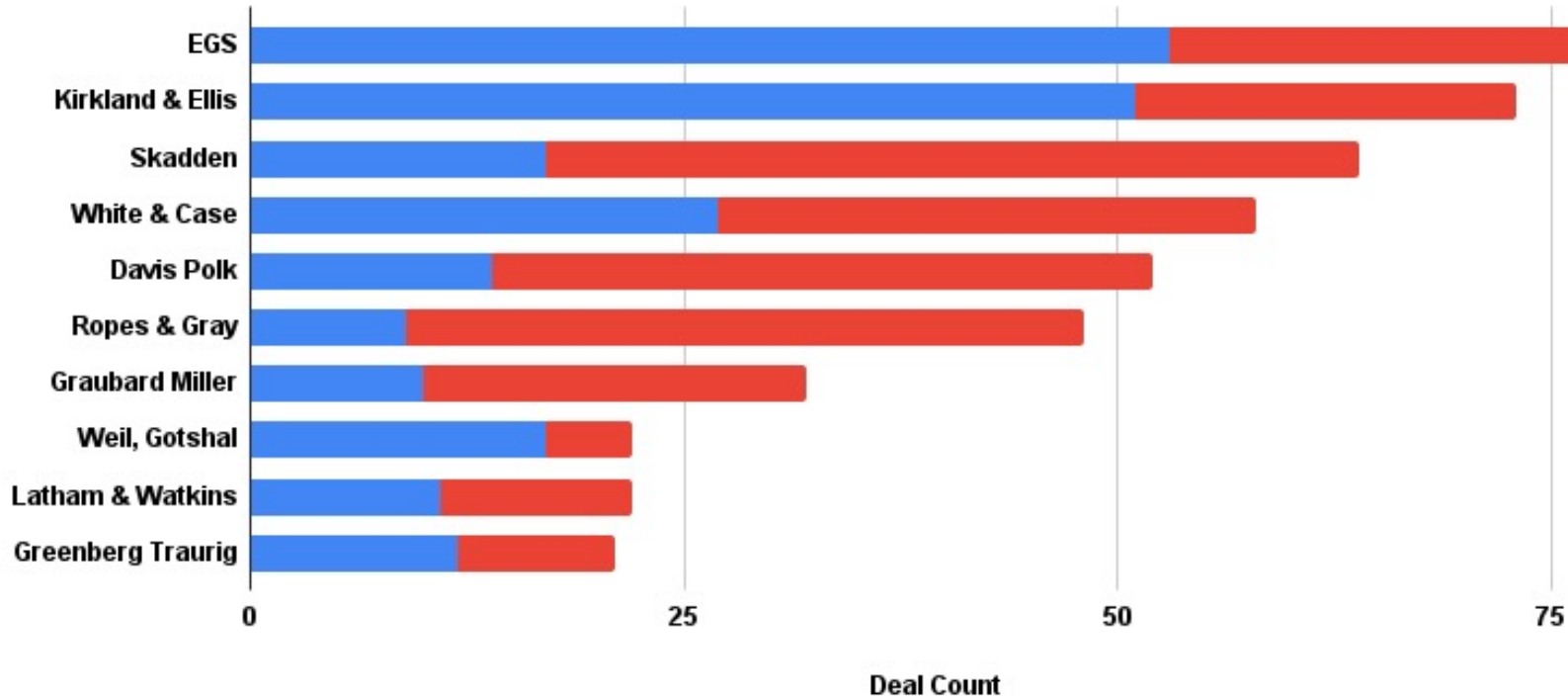
- Bulge bracket banks dominate league tables
- Cantor, Jefferies and other mid-market players still a big presence



TOP LEGAL COUNSEL

2021 SPAC Legal League

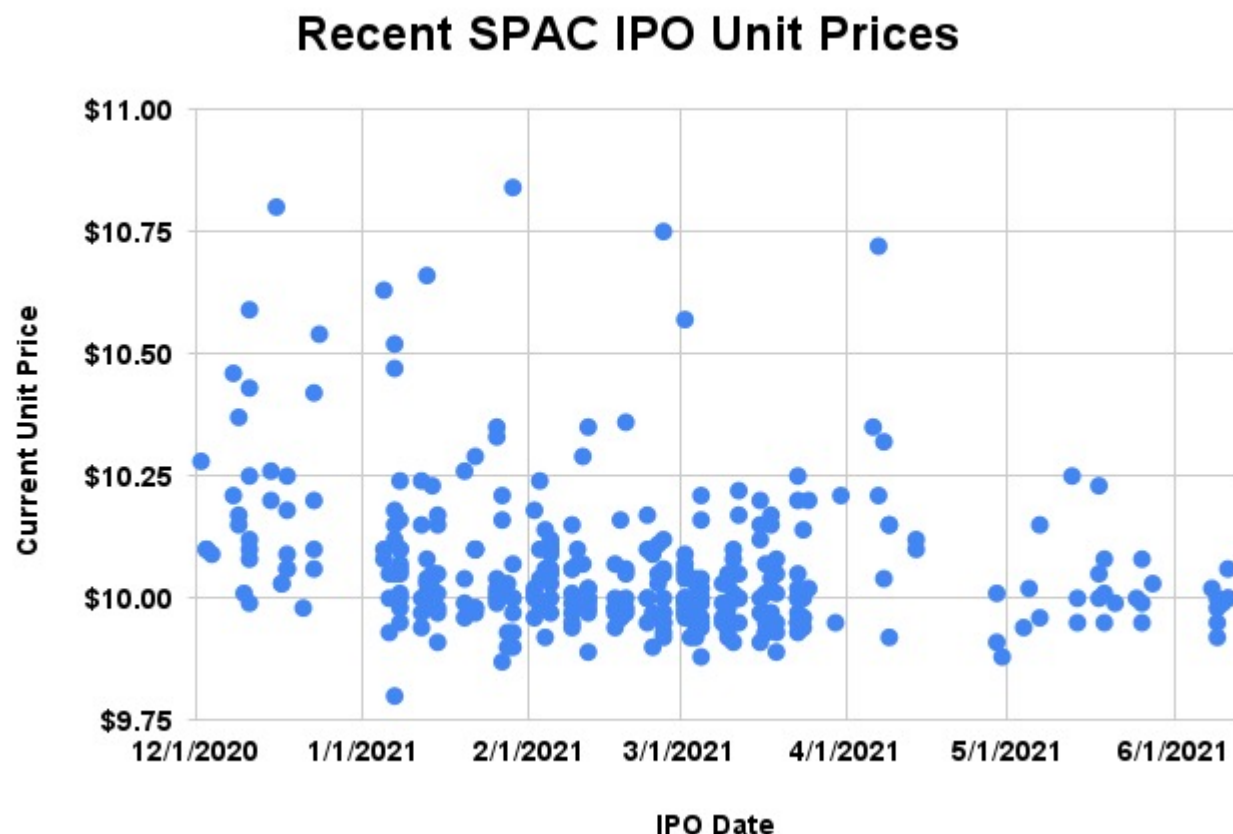
■ Issuer Counsel ■ Underwriter Counsel



- EGS #1 for 5th straight year
- Kirkland and Latham lead in de-SPAC advisory (data not shown)



RECENT IPO UNIT PRICES



- Median market price of pre-deal IPOs over the last 6 months is \$10.01
- Many SPACs trading below trust value
- Issuance has slowed in recent months with high quality teams or overfunded trust accounts getting funded



DROPPING WARRANT COVERAGE

Rolling Average Warrant Coverage

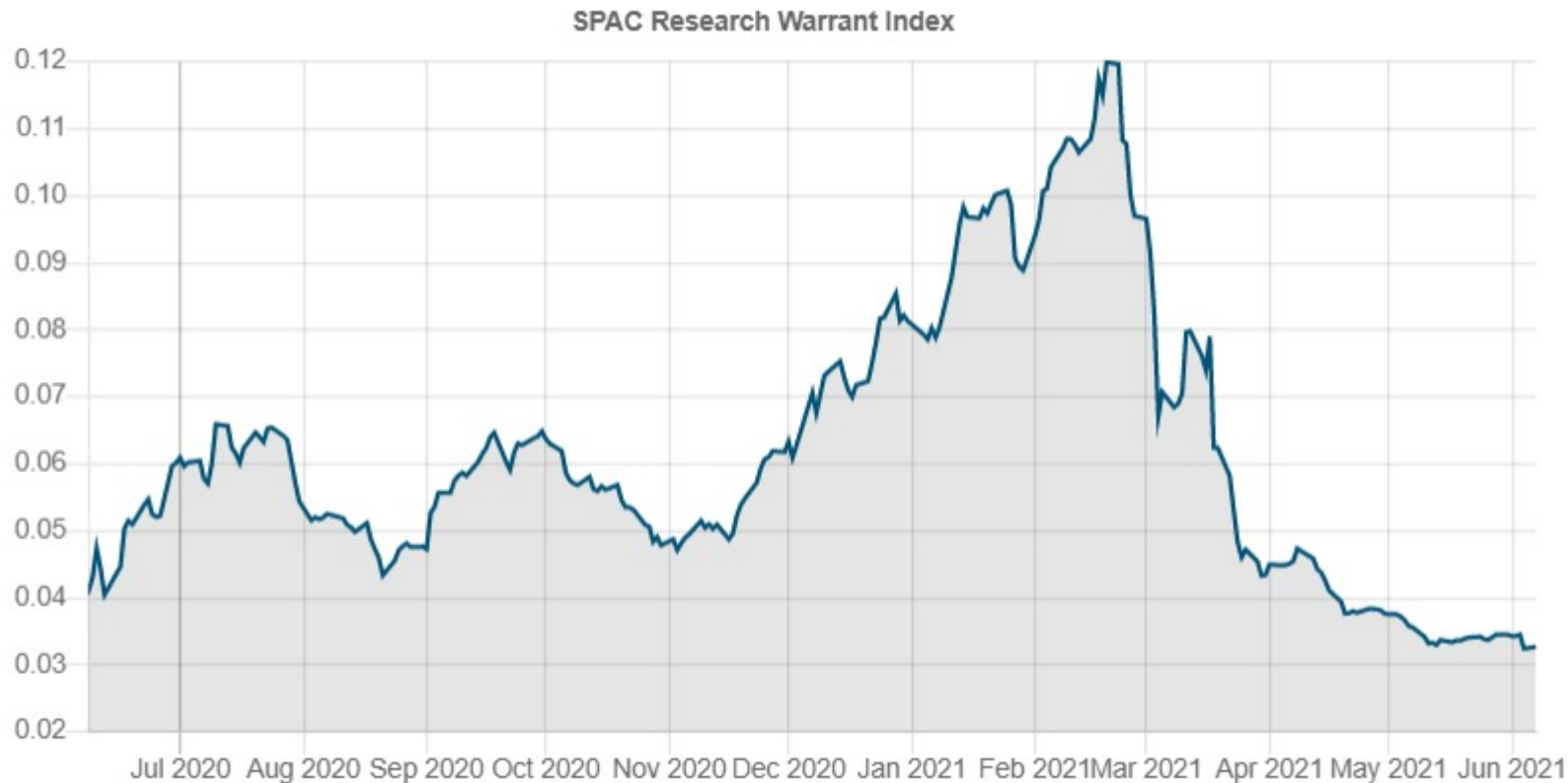
Last 40 SPAC IPOs -- Excluding Rights Deals



On average, SPAC investors asking for lower warrant coverage as the market matures and higher quality teams take market share



SPAC RESEARCH WARRANT INDEX

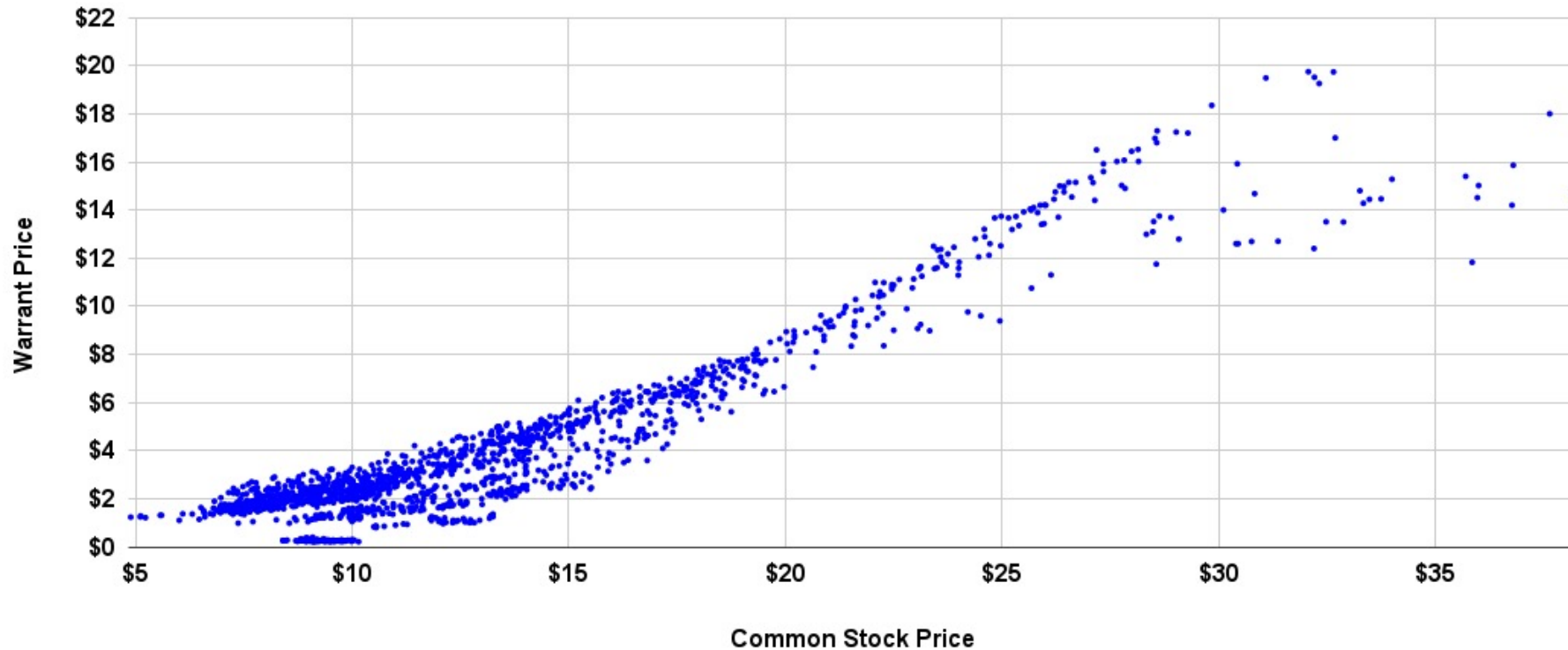


- Warrant Index measures speculative interest on pre-deal SPACs
- Demand for warrants has fallen sharply since peaking in February
- Lower warrant coverage has reduced warrant supply in general



WARRANT PRICES

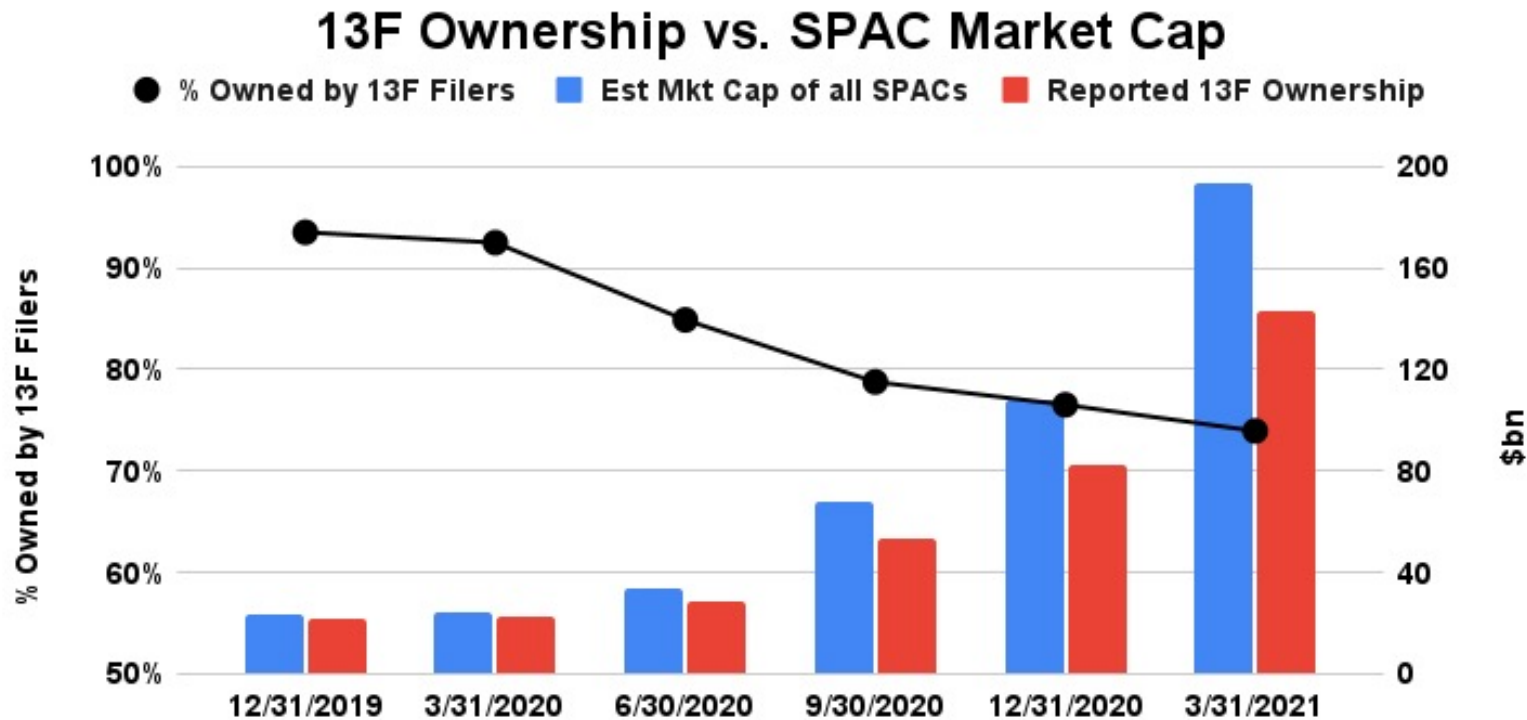
Realized Warrant Pricing in First 6 Months Post-Business Combination
2021 Closed SPAC Deals



- Warrant pricing largely correlated with stock prices
- Due to \$18 call provision, warrant prices are capped on the upper end
- Exercisability of warrants and other factors have large impact on realized pricing



RETAIL INVESTOR PARTICIPATION



- Institutional ownership has fallen over time
- Retail + non-filer share is growing
- Difference is greater among more seasoned SPACs