



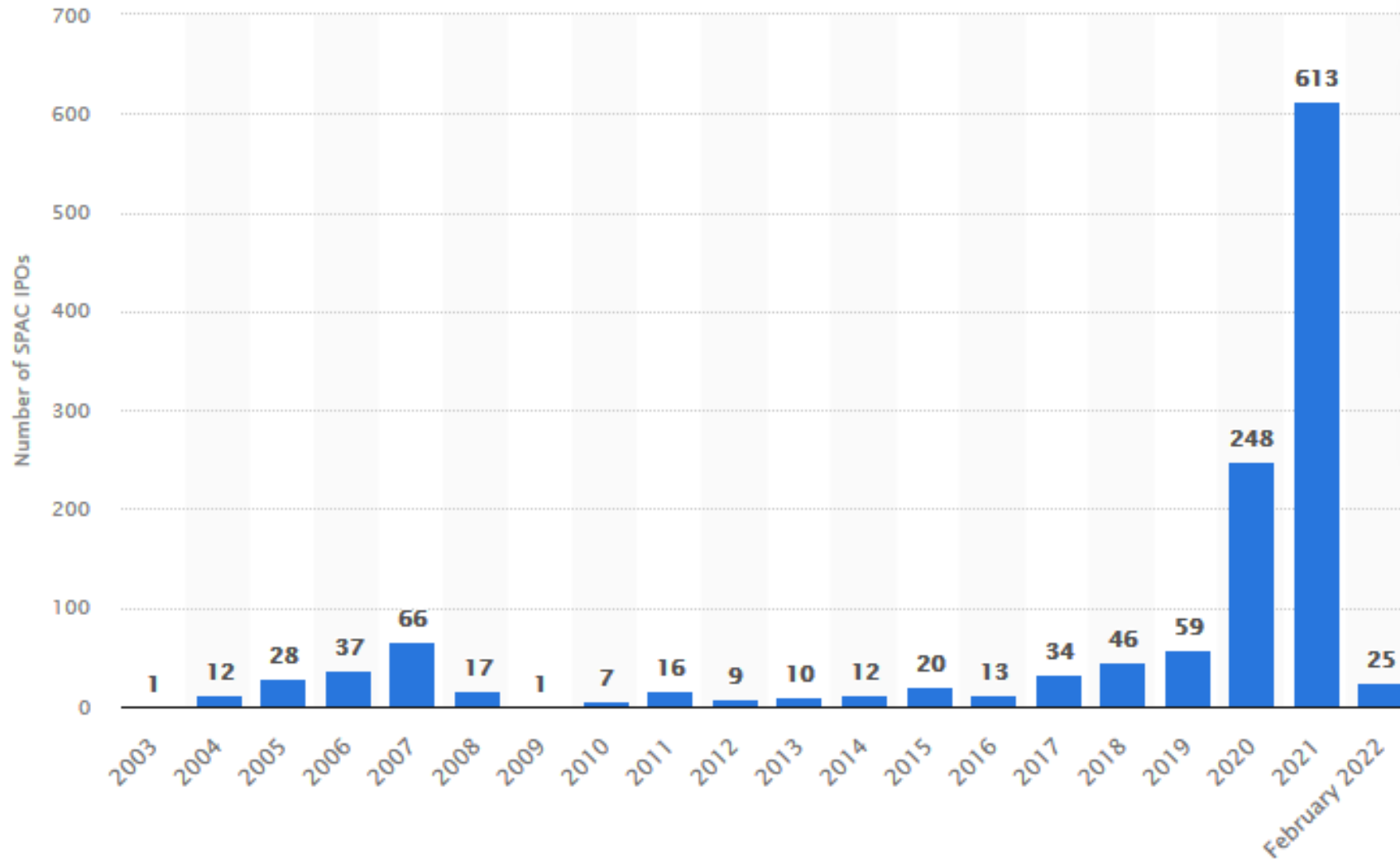
SPAC Overview

Why are they overtaking IPOs

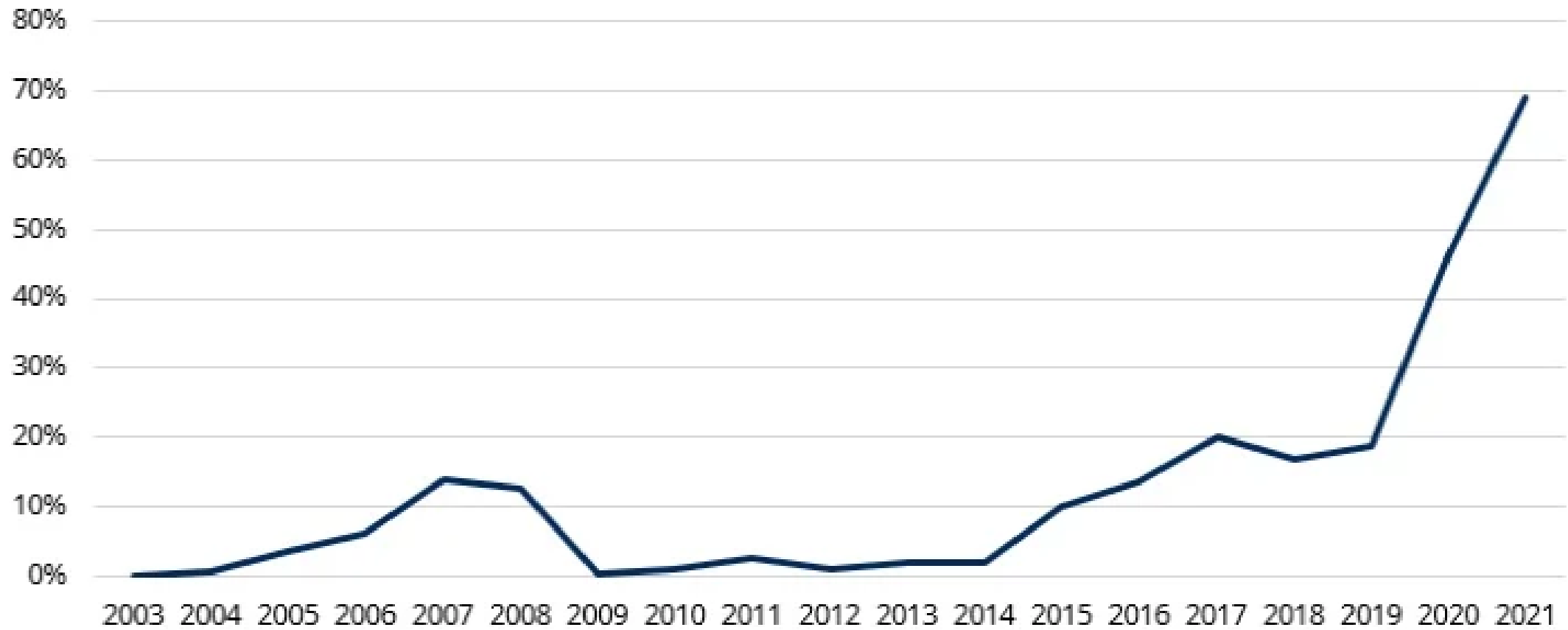
NAATBatt International

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SPAC Trends



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SPAC: “Special Purpose Acquisition Company”

- Public Company with no commercial operations; sole purpose to merge with a private company
- Set up by management team known as sponsor(s)
- No visibility into acquisition target company

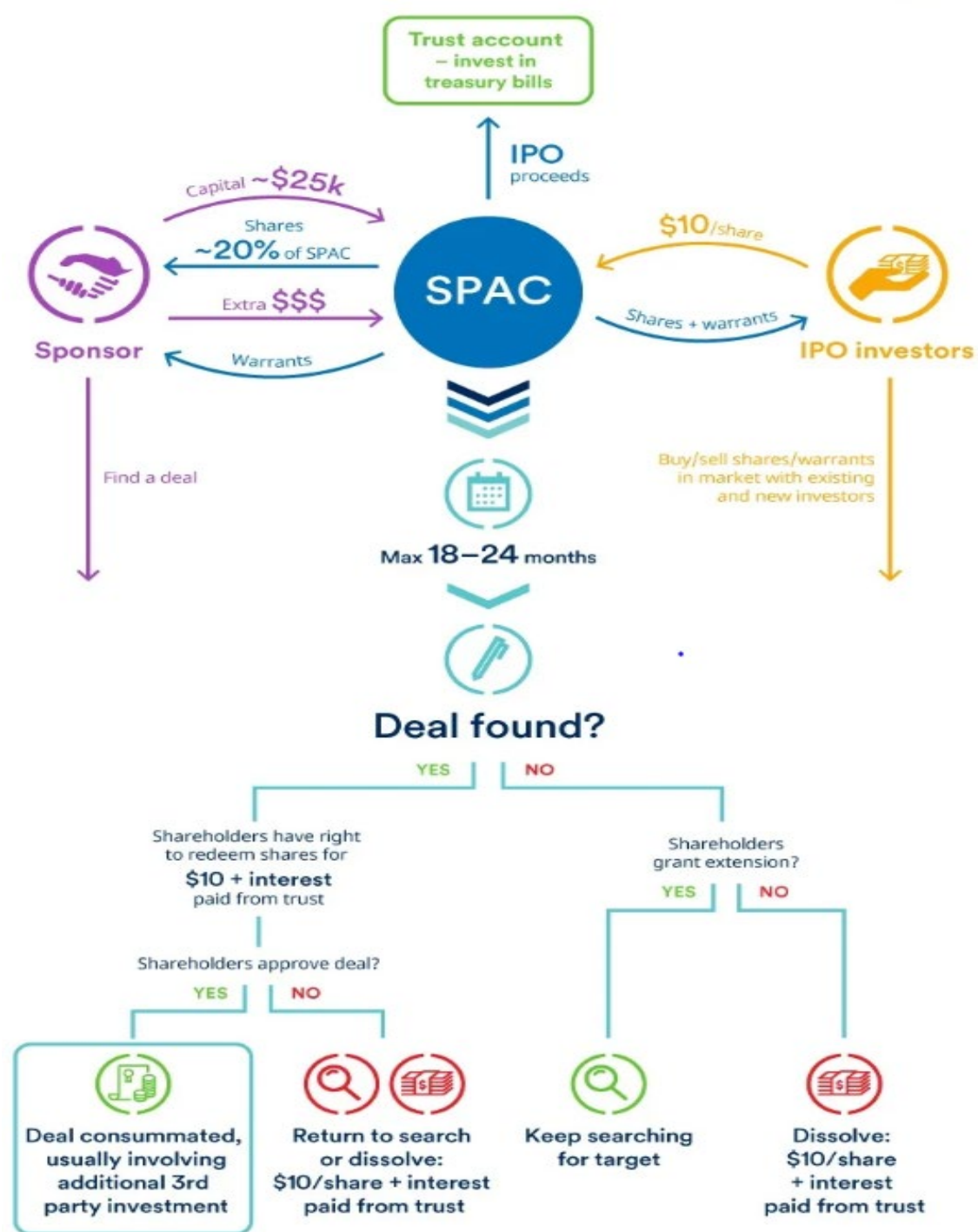
Pros

- Potential for private company to access public markets, possibly at elevated valuations
- Increased certainty in pricing and faster than traditional IPO path
- Reduced Regulatory Burden
- Warrants function as “risk free bet” for investors
- Sponsors can experience windfall by connecting capital to quality companies
- Democratizes information about funding sources for companies

Cons

- Investing post-IPO generally not as good of a deal for investors (i.e. retail)
- Sponsors can be big names without actual domain expertise (e.g. celebrities)
- Can rely on (overly?) optimistic projections, pushing valuations higher than typically expected
- In the long run can be more expensive than traditional IPO due to share redemption & underwriting fees





SPAC Example Terms

SPAC sponsor:	Sponsor Company, LLC
Size:	\$200.0mm / 20mm units + 15% greenshoe
Sponsor promote:	20% ownership, post offering
Anchor Investors:	Investor 1, Investor 2, Investment Bank 1, Investment Bank 2
Unit composition:	1 Class A ordinary share and 1/3 of 1 redeemable warrant \$11.50 strike with 5 year life post initial business combination
Warrant terms:	(callable for cash >\$18 and for shares >\$10)
Amount held in trust:	100% of the offering proceeds
Initial target industries:	Best-in-class solution for super interesting battery companies
Time to complete acquisition:	24 months
Bookrunners:	Bank A, Bank B