

What's Next?

A Path Forward in
Uncertain Times



GOODWIN

Panelists:



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+ SPACs



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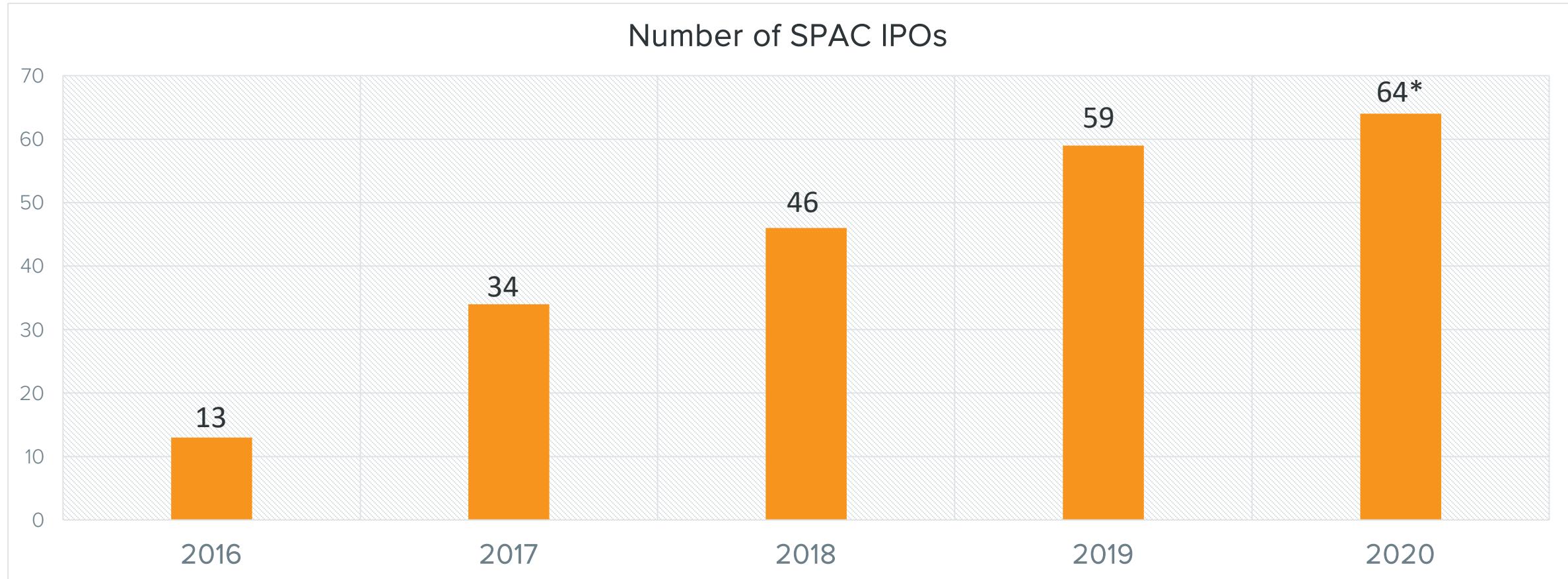


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Introduction to SPAC IPOs

SPAC IPO Market Trends



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* Number of SPAC IPOs as of Monday, August 10, 2020. Source: SPACInsider

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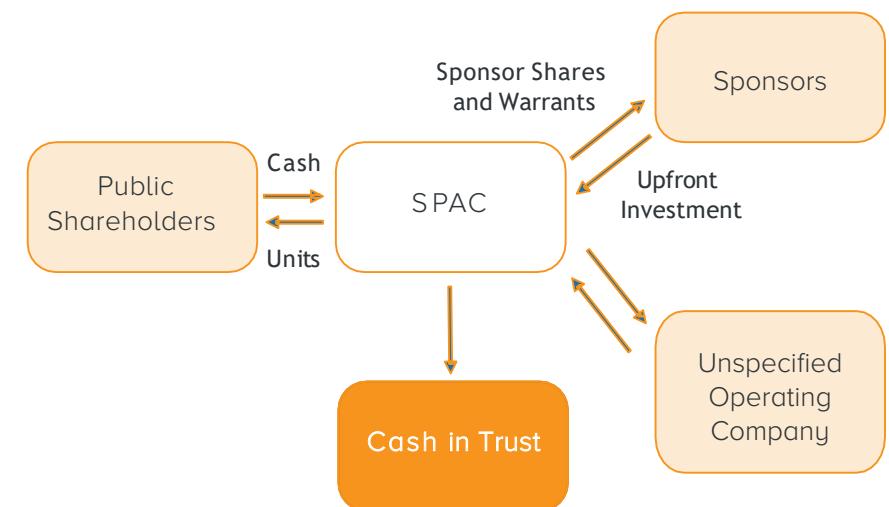
SPAC IPO Overview

What is a Special Purpose Acquisition Company (“SPAC”)?

A SPAC is a blank check company created for the sole purpose of raising equity capital through an IPO to complete a business combination with an operating company

Standard SPAC IPO Terms

- SPAC raises capital by issuing units to public investors for \$10/unit, with each unit consisting of one share of SPAC common stock and a fraction of a warrant to purchase one share of SPAC common stock
- ~100% of IPO proceeds are placed in trust.
- SPAC founders invest 2% of IPO proceeds plus \$2 million in exchange for 20% of post-IPO shares plus warrants, neither of which are publicly tradeable.
- SPAC has 18-24 months to consummate a business combination with an operating company. Otherwise, IPO proceeds plus interest released from trust to public stockholders and SPAC founders lose all of their risk capital.
- 52 days after IPO, SPAC shares and warrants trade separately from units.
- At deSPAC (SIP), public stockholders have the right to redeem their shares for \$10 plus interest and keep their warrants.



SPAC IPO Market Developments

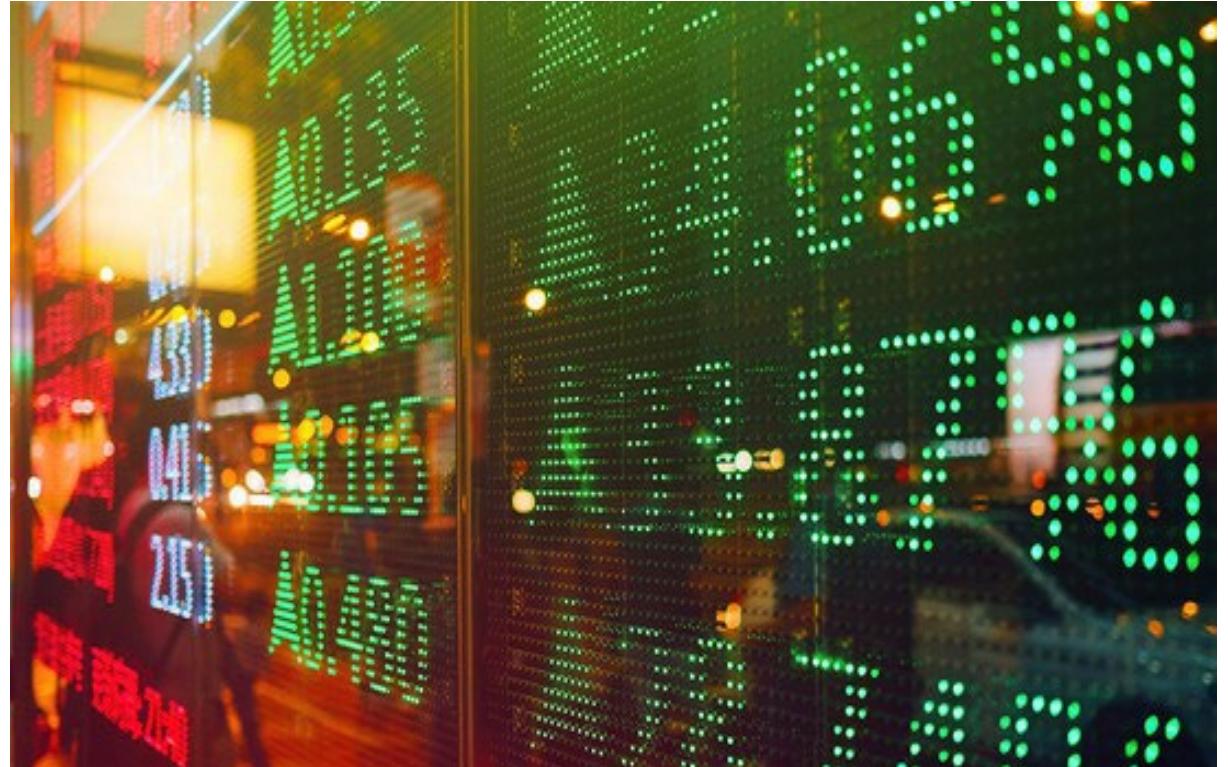
Reduction in Warrant Coverage

Range of SPAC IPO Investors

SPAC Size

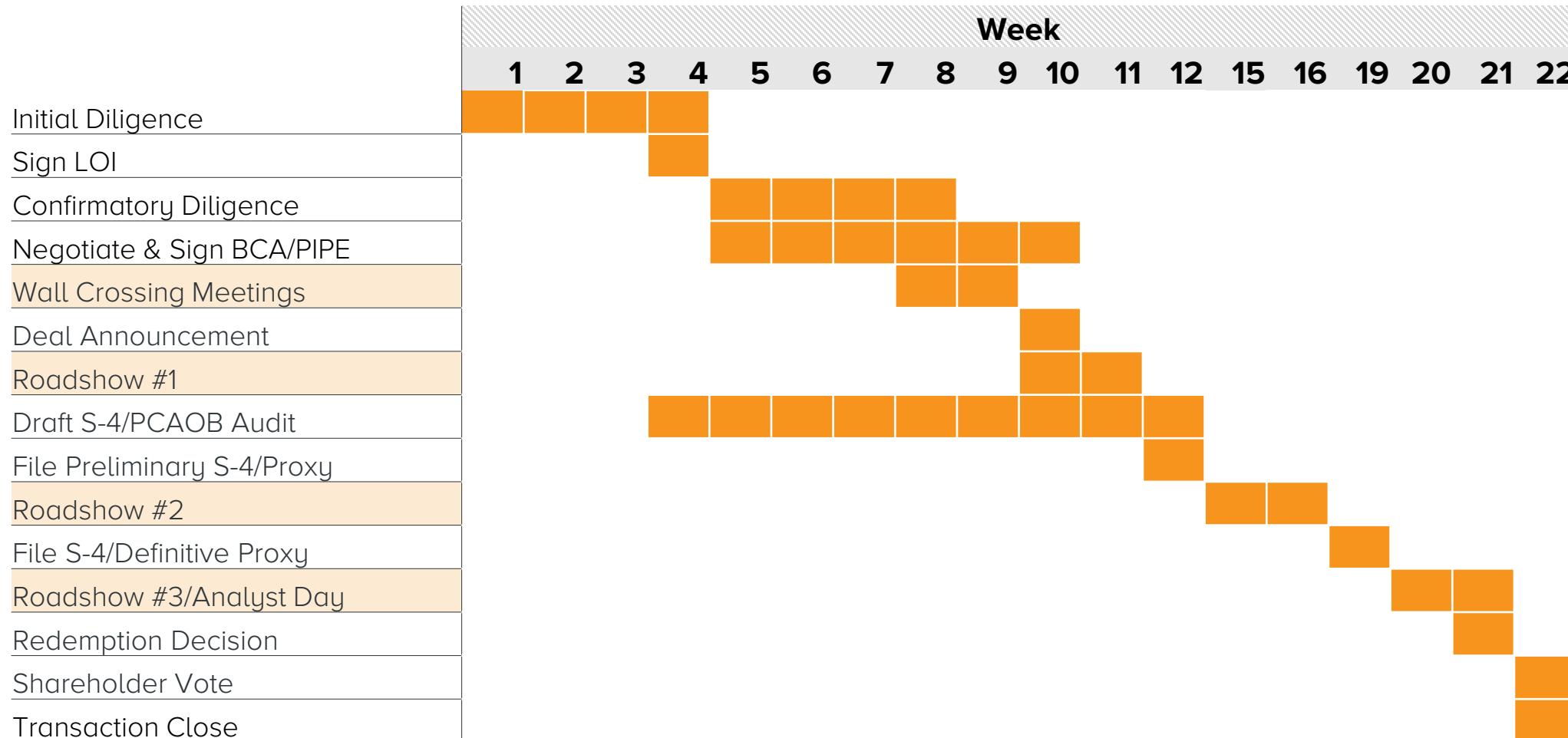
Size + Timing of PIPE

Changing Structures



SPAC Business Combinations (SIPs)

SIPO Transaction Timeline



S IPO vs. Traditional IPO (TIPO)

Communications with Operating Companies

Communications with Investors

Dilution

Capturing the TIPO “Pop”

Building the Book

Timing



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Litigation Considerations

Ways to Address + Mitigate Emerging Risks

Where There is Deal Activity, Plaintiffs' Lawyers will Follow...

Current SPAC Litigation Landscape

Interested Party Transactions

Disclosure-Based Litigation Claims

Anticipating and Protecting Against Litigation Risk



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Thank You