

Bulldog SPAC Updates

4/19/2018

Pure Acquisition Corp – (PACQU) As some of you may be aware, Pure Acquisition Corp priced last week at \$10. Investors received units comprised of 1 share and ½ warrant. This deal is unusual because of the sponsors commitment to conduct a tender offer for the warrants at \$1 per warrant no matter whether a deal is completed or not (while in the past sponsors have sometimes conducted tender offers on deal completion only). Deal size was \$ 300 million but was upsized to \$414 million on strong demand. Because of the tender offer commitment, together with interest earned on the trust, investors will make 7% on this deal at a minimum. The shares are currently trading around \$10.13.

The management team is led by Jack D. Hightower. Mr. Hightower has over 47 years of operational and financial experience in the oil and gas industry. There is also a back stop in place. High Peak Energy Partners, LP a limited partnership affiliated with Mr. Hightower will enter into a forward purchase agreement that provides for the purchase by High Peak LP of an aggregate of up to 15,000,000 shares of Class A common stock in a private placement that will close simultaneously with the closing of an initial business combination. Management will have 18 months to complete a deal. The underwriters are Oppenheimer and Early Bird.

Atlantic Acquisition Corp (ATAC) - On April 3rd Atlantic Acquisition announced they were entering into a business combination with HF Group Holding Corporation, a food service company. This is a small SPAC (\$40 million) underwritten by Chardan. It is good to see smaller SPACs announce deals as it bodes well for the space. Bulldog participated in this deal because of the attractive, unusual structure. At IPO on August 9, 2017 ATAC issued 1 share and 1 right, with each right converting to 1/10 common on deal completion. Initial Trust was \$10.20 with 18 months to complete a deal. If additional time was needed, 20 cents would be added to trust for every 3 month extension, with a maximum time of 24 months (\$10.60 plus interest if 24 months required to complete a deal).

On April 3rd, on deal announcement, the shares of ATAC closed trading at \$10.03 and the rights at 61 cents for a total package value of \$10.64. Investors who purchased shares at \$10 on the IPO would have seen a total return of 6.4% or 8.6% annualized.