

Bulldog SPAC Updates

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Bulldog SPAC Update: Principal Protection with equity type optionality

3 IPOs priced this past week raising over half a billion dollars. Structures were attractive with enhanced trusts, full warrants and in one case, even rights. Management teams were experienced, with sponsors boasting members that have completed prior deals in the SPAC space.

Twelve Seas Investment Company completed its IPO this past week when it raised \$180 million. Each unit, issued at \$10 comprises 1 common share, 1 warrant and 1 right. EarlyBirdCapital, Inc. and I-Bankers managed the IPO. Stephen Vogel will serve as President. Some of you may recall that Vogel was Chairman of Forum Merger Corporation which completed a deal in February with ConvergeOne, a specialty IT service provider. Investors who purchased Forum shares at IPO and held through deal completion realized an IRR of over 17%. Management has 18 months to complete a deal. We calculate trust at the end of 18 months at roughly \$10.20 per share.

LF Capital Acquisition priced 13,500,000 units at \$10 per unit. Each unit consists of 1 common and 1 warrant. B Riley FBR and Raymond James are serving as underwriters. The sponsors and certain funds and accounts managed by subsidiaries of BlackRock have committed to purchase 6,950,000 warrants at \$1 per warrant. So, management skin in the game is about 5%. The management team includes Baudouin Prot, former Chairman and CEO of BNP Paribas. Focus will be on financial services sector. The initial amount in trust is \$10.20. Management will have 24 months to complete a deal. With current rates on institutional treasury money market funds, we figure the trust account should be worth around \$10.47 per share 2 years from now. That means, worst case, an investor makes 4.7% on his investment.

Thunder Bridge Acquisition raised \$225 million in an IPO priced at \$10 per unit. Each unit consists of 1 share and 1 warrant. Lead bankers were Cantor Fitzgerald and Chardan. \$10.10 was placed in trust. The management team will focus on a deal in the FinTech sector. Gary Simanson, who will serve as CEO, previously led the team at Community Bankers Acquisition Corp, a blank check company that completed its initial business combination in 2008, when they simultaneously acquired 2 publicly traded bank holding companies. Management has 24 months to complete a deal. We figure trust value at the end of 2 years at \$10.37 per share, so 3.7% return worst case, with rates at current levels.

Please call Steve or myself with any questions.