ClearThink CAPITAL

Raise Capital and Go Public with a SPAC Merger

The webinar will begin momentarily

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About ClearThink Capital

Our services fall into six verticals.

01 SPAC Advisory

02 Growth Capital Advisory

03 Commercial Credit

04 M&A Advisory and Finance

05 Business Development

06 Venture Consulting

We work with companies of all sizes across virtually all industries.

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Our SPAC Expertise

- CEO Bob Brown worked on one of the first SPACs in 1991/1992
- Structured 13 SPAC IPOs
- Worked on countless SPAC mergers
- Work with companies ClearThink to guide them through the SPAC merger process
- Team of experienced advisors in the SPAC space

What is a SPAC?

A SPAC, or Special Purpose Acquisition Company, is a public pool of capital that seeks to acquire a company through a business combination, or merger in a certain segment or with certain characteristics.

What is a SPAC?

SPAC Characteristics and IPO Structure	
Offering Size	$50M - $1B+
Use of Proceeds	Placed into a Trust, Invested in Treasuries
Purpose	Formed to Acquire a Company and Bring it Public
Business Combination Timeline	12-24 Months
IPO Price	$10/Unit
Initial Trust Balance	$10 to $10.30/Unit
Unit Structure	1 Common Share and up to 1 Warrant; Possible Right
Warrant Exercise Price	Typically $11.50

What is a SPAC?

SPONSORS

1 Team decides to form/sponsor a SPAC. The team serves as or puts in place the management team of the SPAC

SPAC

2 The sponsor team provides the working capital, an amount equal to 3-7% of the total IPO amount (risk capital)

3 The proceeds of the IPO are held in trust and invested in treasuries

4 Once the SPAC goes public, it has 12-24 months to find a target company to acquire and bring public

Redeem Investment **OR** Shares in New Company

5 If the SPAC finds a target company to acquire, each IPO investor can vote to get their $10 back plus interest, or get shares in the new company

SPAC

6 If the SPAC does not find a target company to acquire, the IPO investors get their $10 back plus interest

SPAC Merger

To be qualified for a SPAC merger, companies must meet the following requirements:

3X+

Justifiable valuation at 3x+ the amount of cash in the SPAC

Audited by PCAOB audit firm

Team members with public company experience

Stock-for-stock transaction with clear use of funds

SPAC Merger Process

Day 0-7

- Letter of intent signed by SPAC board and Target board.

Day 7-63

- Conduct Due Diligence.
- Financial review and audit.
- Preparation of pro forma financial statements and US-GAAP audit or US-GAAP reconciliation
- Management discussion and analysis (MD&A).
- Draft definitive agreement.

- Execute definitive agreement (contingent on audit).
- Issue press release and 8-K (four business days after announcement).
- Draft proxy.
- Independent investment bank fairness opinion review, if required.
- Fairness opinion, if required, issued.
- File S-4 with SEC.
- Await response from SEC. (30-40 days).

Day 71

- Establish record date for shareholder meeting

SPAC Merger Process

Day 77

Day 76-105

Day 105

Update financials for end of Qs

- Print and distribute proxy to shareholders (10 to 20 calendar days' notice).
- Road show.
- Post close IR/PR campaign.
- Shareholder meeting, voting & closing.
- Issue 8-K form (Super 8-K form)

Target company is now merged and operates as a Public company.

Advantages over IPOs

- Lower capital at risk through transaction
- Less timely
- Valuation is negotiated through SPAC merger process
- SPAC team members tend to be industry experts. May stay on post-merger

Advantages over Private Equity and Venture Capital

- No control over day-to-day operations
- Less structured financing
- Liquidity for shareholders
- Ability to easily raise additional capital when public

Structuring a Successful SPAC Merger in 2022

- Reasonable valuation
- Limit redemptions
- Analyst coverage
- PIPE, if needed
- Institutional investor approval

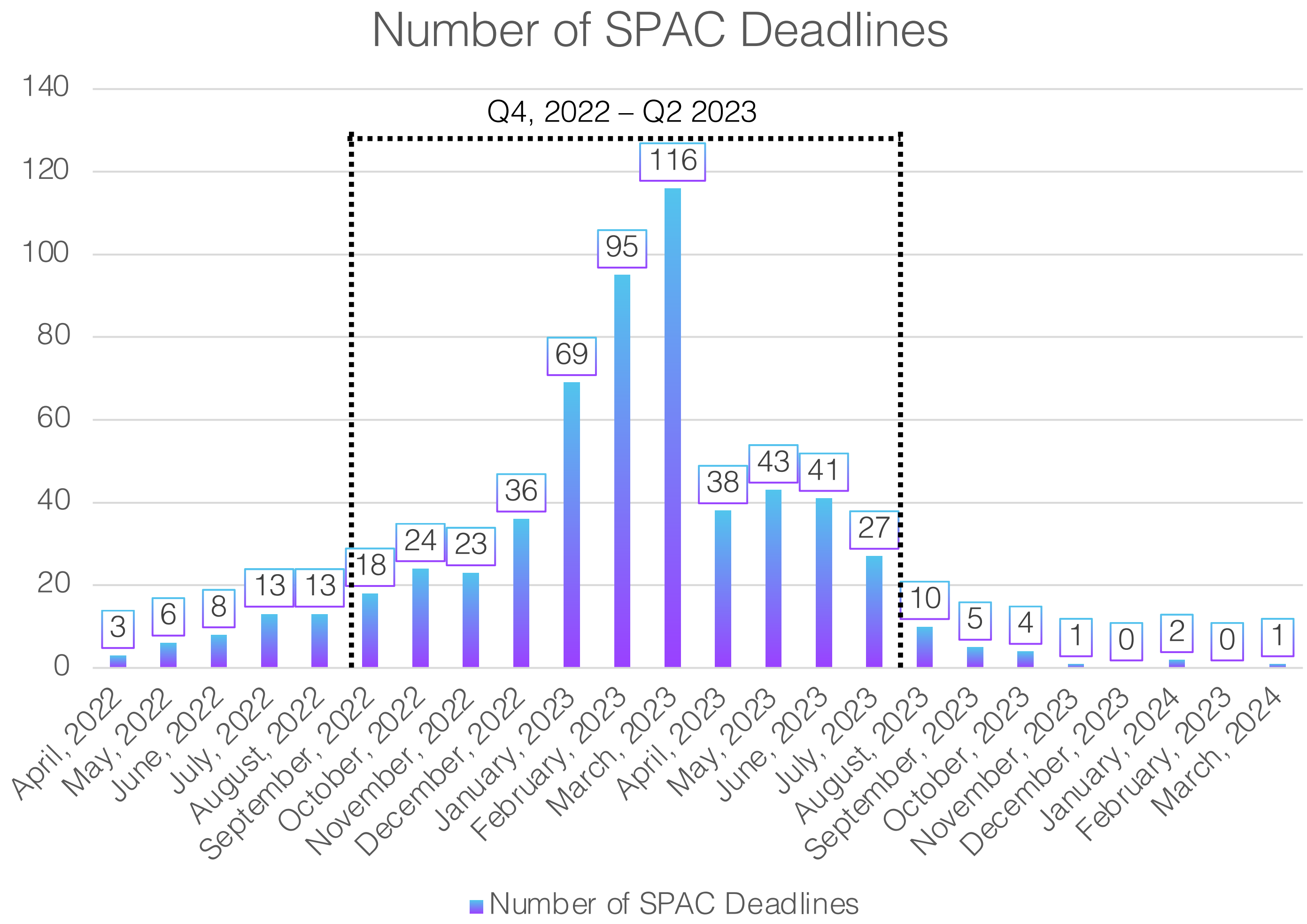
Current SPAC Market Update

606

SPACs seeking targets

$264M

Average size of SPAC seeking targets



Questions?

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If you would like to learn more about merging with a SPAC, contact info@clearthink.capital