

DEEP
KNOWLEDGE
GROUP

SPACs IN HEALTHCARE INDUSTRY

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WHO WE ARE



**World Leader in Analytics for
Deep Tech Industries**



**World's Largest Knowledge &
Collaboration IT Platform
for Longevity & Deep Tech**

**Longevity
Aging
FemTech
COVID-19
Deep Pharma**



**Future FinTech
InvestTech
NeuroTech
SpaceTech
GovTech**



**Longevity
Swiss
Foundation**



**Deep Knowledge-Driven
Social Impact and Government
Relationships**



**Deep Knowledge-Driven
Smart Investments Projects**

GEOGRAPHY OF DEEP KNOWLEDGE GROUP

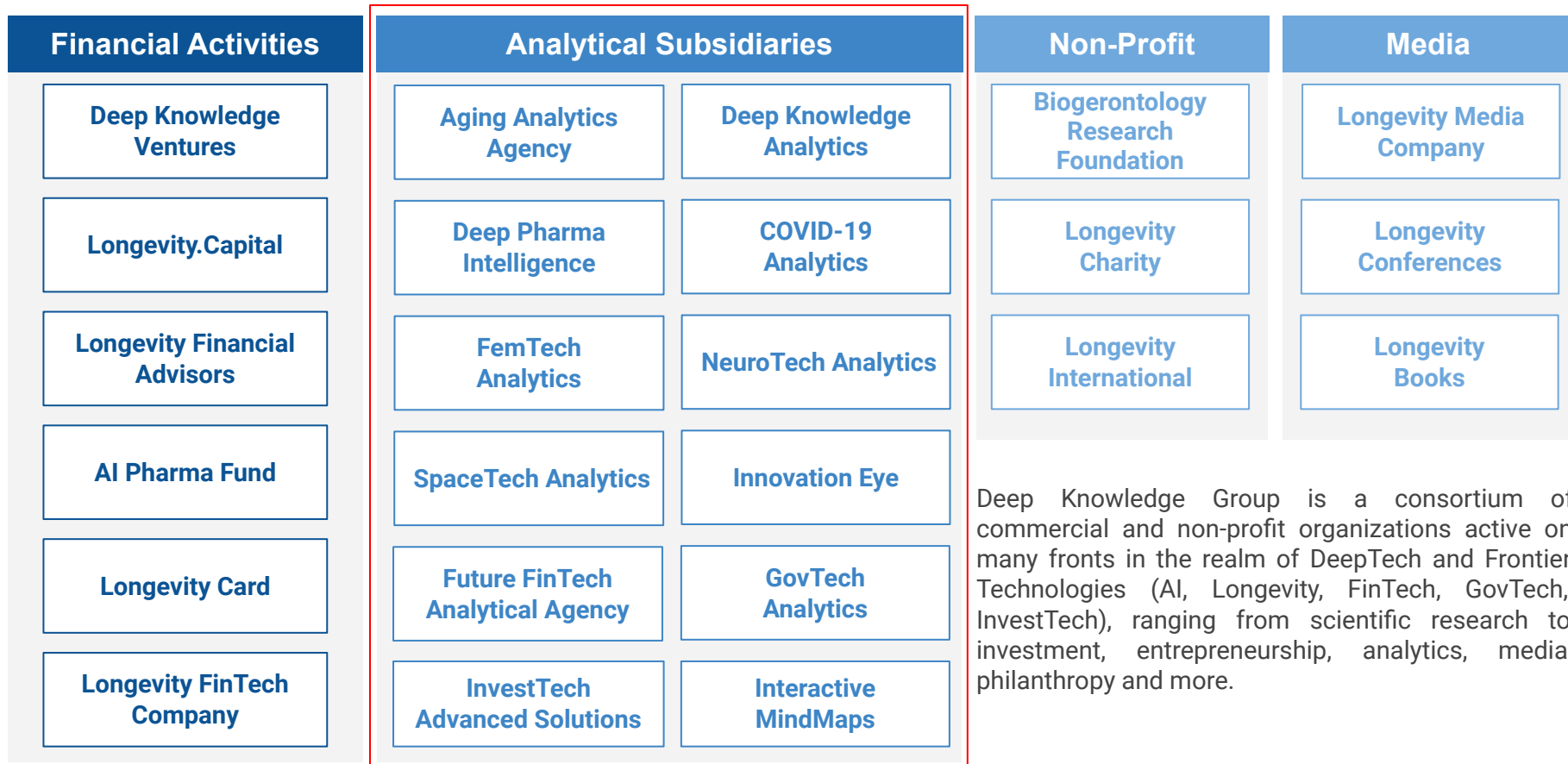


Longevity
Aging
FemTech
COVID-19
Deep Pharma



Future FinTech
InvestTech
NeuroTech
SpaceTech
GovTech

DEEP KNOWLEDGE GROUP STRUCTURE



Deep Knowledge Group is a consortium of commercial and non-profit organizations active on many fronts in the realm of DeepTech and Frontier Technologies (AI, Longevity, FinTech, GovTech, InvestTech), ranging from scientific research to investment, entrepreneurship, analytics, media, philanthropy and more.

SPACs IN HEALTHCARE REPORT

- SPACs are gaining ever increasing popularity
- SPACs will begin to compete with each other on a greater scale for a limited number of start-ups available for acquisition
- Increased importance of PIPE financing in SPAC deals
- Healthcare and BioTech companies can achieve the same fundraising goals via merger with SPAC instead of traditional IPO path
- SPAC requires having industry knowledge rather than solely investments and deal-making expertise

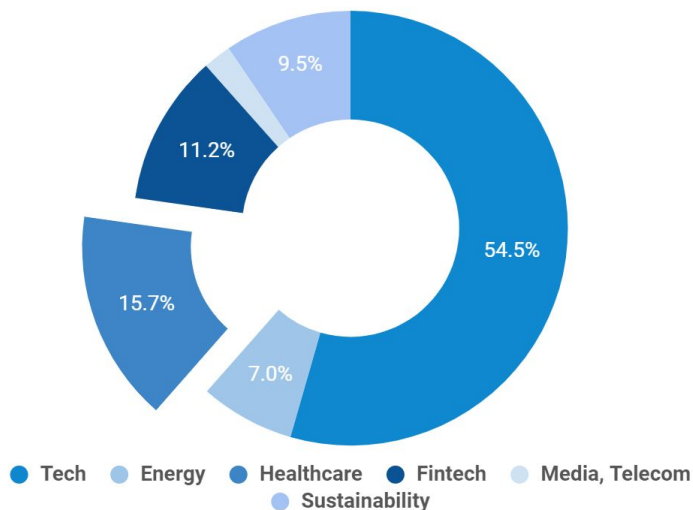


To find out more about SPACs in Healthcare Industry Report contact us at:
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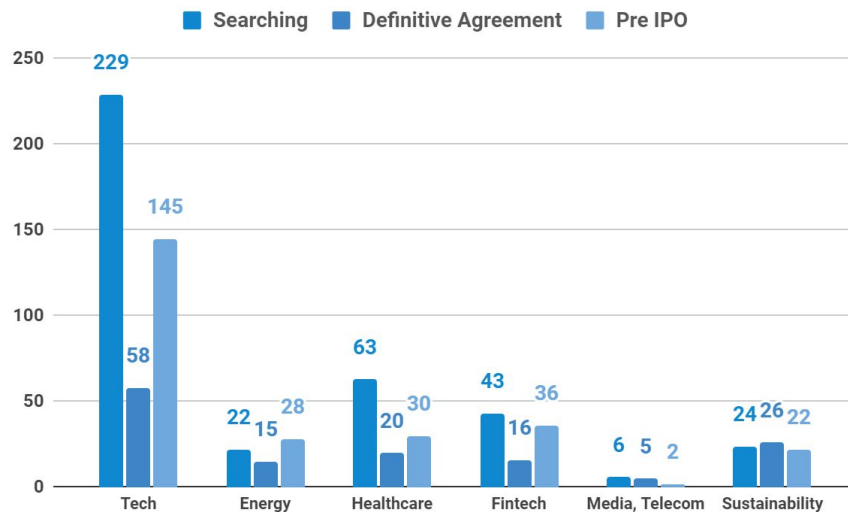
SPACs at FIRST GLANCE

SPACs MARKET OVERVIEW

Distribution of SPACs by Target Across Active Ones



SPAC Count by Target and Stage



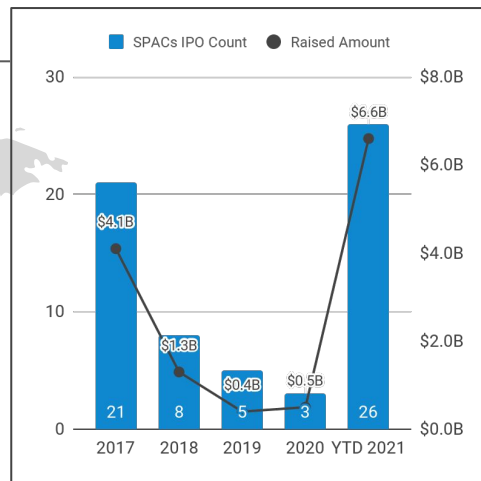
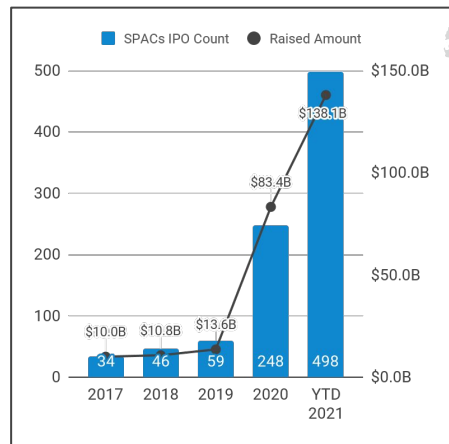
Although there has been a significant increase in SPACs activity across industries in recent years, the most active sector has been Tech, Healthcare and FinTech Sectors. Such trends are mainly explained by the fact that these industries involve more private companies looking for capital compared to other industries. Judging from the **CAGR of Tech (13.3%), Healthcare (11.3%) and FinTech (18.4%)** there will be a standing demand and supply for future SPAC deals.

At the same time, companies of the most actively developing sectors must be prepared to market the transaction benefits for the entire **de-SPAC period of approximately four to five months**. SPACs sponsors and companies should also be prepared for critical pre-closing shareholder vote activity and important post-closing disclosure and reporting policies.

SPACs REGIONAL DISTRIBUTION

European SPAC IPOs

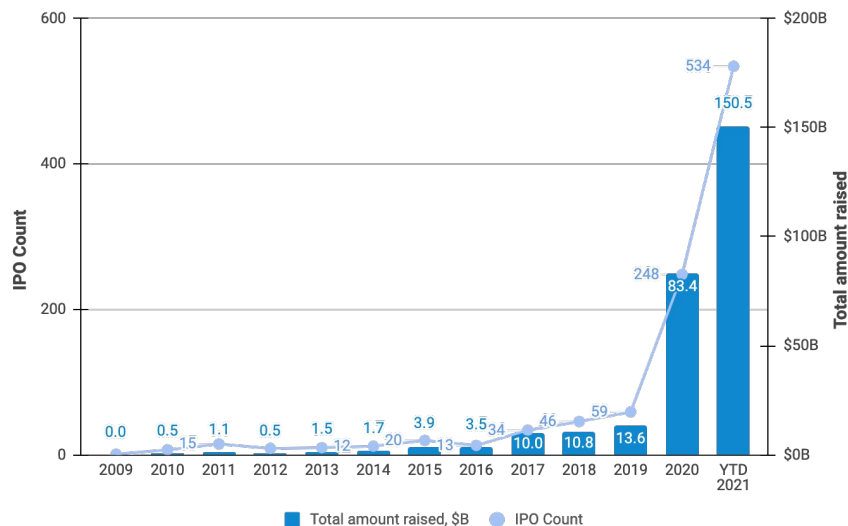
US SPAC IPOs



SPAC targets are largely **US-based** companies. However, other countries start to compete with US as a venue for SPAC development. Within 2021 more investors invest into SPACs listed in key **European** venues, for example, Frankfurt and Amsterdam. Discussions on SPACs are under the way in **Asia**, where Hong Kong and Singapore are considering to expand the activity of SPAC IPOs.

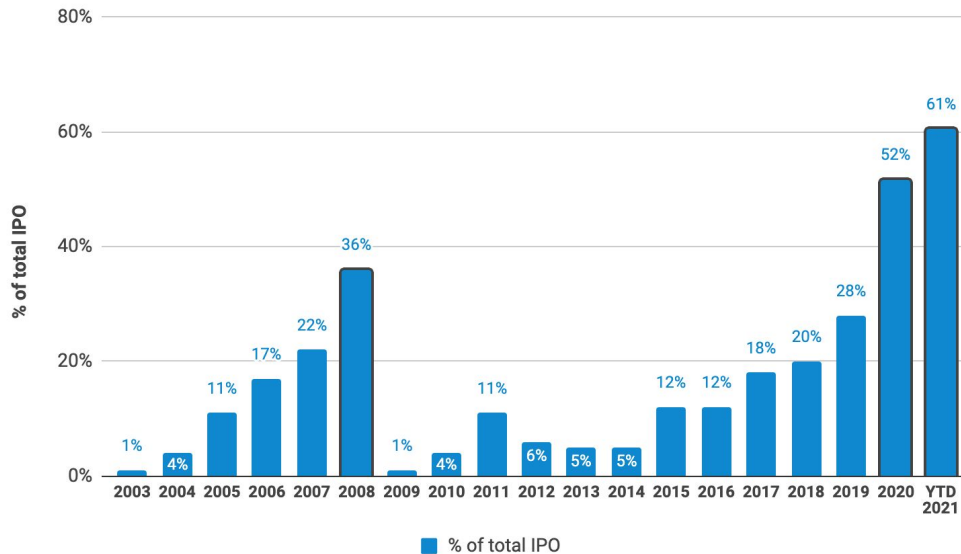
SPAC IPO TRANSACTIONS

SPAC IPO Transactions: Summary by Year



The popularity of SPACs has grown rapidly over the last two years. In 2020, 248 SPACs raised around \$83.4B. 2021 has already outreached that figure with 534 SPAC IPOs and \$150.5B raised capital as of November 2021.

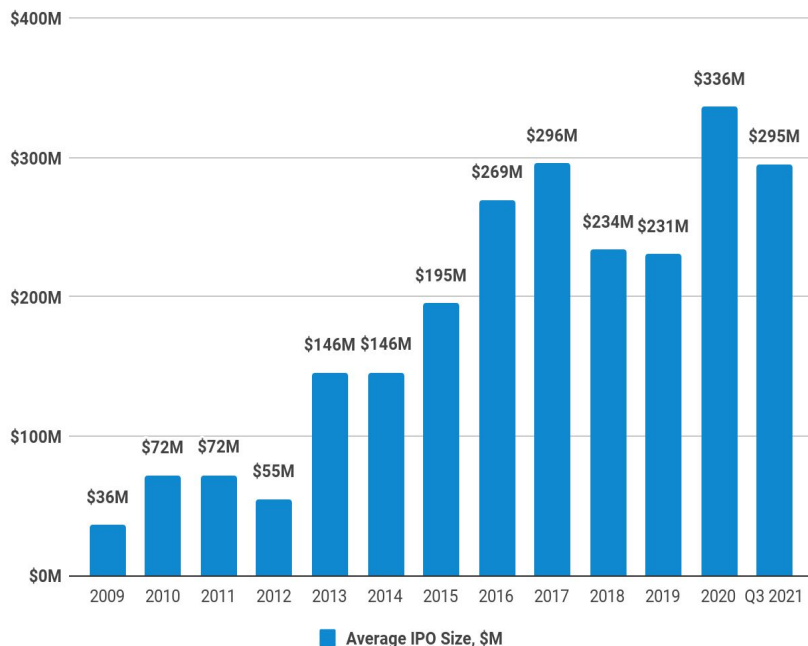
US SPAC IPOs as % of total IPOs



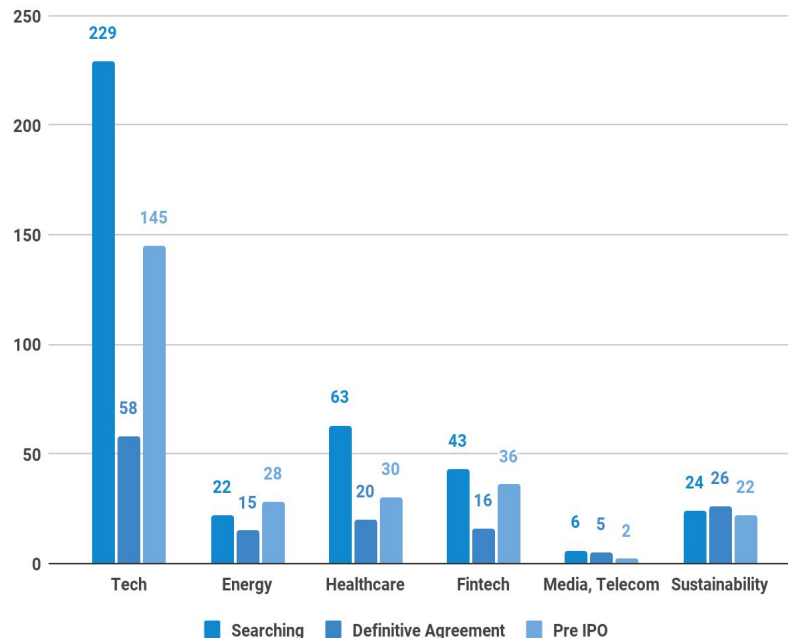
In 2020-2021 SPACs represented a record percentage compared to total number of IPOs reaching 61% as of November 2021. Such a high percentage of IPOs was during most volatile period in the markets.

IPO SIZE VS TRUST ACCOUNT SIZE FOR SPACs

Average SPAC IPO Size by Year



SPAC Count by Trust Size



The average SPAC IPO size has risen from **\$36M** in 2009 to **\$294.9M** in Q3 2021. SPACs generally look to combine with a target company that is 2-3 times the size of the amount of capital in the trust account. This means that target companies that have a valuation lower than **\$150-\$200M** are going to have a tough time finding a SPAC to merge with due to their size.

THE DRIVERS OF SPAC IPOs

Increased liquidity

There's a lot of liquidity in the market and investors want to leverage it effectively

High industry costs

High industry spending need to establish new ways to raise the capital, especially for such costly business as drug discovery and the BioTech industry overall

Effects of COVID-19

There is an increased demand for digital health solutions and new drugs and treatments that could be used to fight COVID-19, in particular. Path via merger with SPAC s can be the instrument to raise more capital

Option of securing future earnings for companies

SPACs also give companies more flexibility to share the future earnings projections, which can make a deal more attractive – especially with pre-revenue companies.

Accumulated unspent private capital

Unspent private capital remain at record levels. SPACs receive increased attention as an exit opportunity for private capital

Extended number of potential target companies

The number of IPOs has significantly decreased over the last 20 years thereby increasing an opportunity for SPACs to be formed over the last few years

Relative Advantages of IPOs and SPACs

IPOs

Financial Benefits

The company can raise a lot of cash in a fast manner. Cash influx also helps lower the company's debt-to-income ratio and can provide more funds.

High-Quality Personnel

The company can attract highly proficient senior management personnel and can more easily attract top-tier talent.

Increased Visibility

A listing on the stock exchange improves a company's visibility, signalling its success. Moreover, going public provides a company with opportunities for publicity and media coverage.

Reputation Improvement

Publicly traded companies often have more influence when it comes to negotiating with vendors.

SPACs

Simplicity of the Process

An SPAC merger enables a company to access the capital they need quickly and affordably. Moreover, a SPAC merger occurs in just 3-6 months on average

Operational Expertise

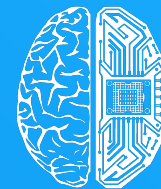
SPAC sponsors are often experienced financial and industrial professionals that could invite experienced management professionals or take on a role themselves on the board.

Additional Capital

SPAC sponsors will raise debt or private investment in public equity (PIPE) funding in addition to their original capital to fuel growth for the combined company.

More Certainty

The SPAC and the target company first agree on a fixed valuation. This process limits price volatility once the SPAC starts trading shares. Additionally, SPACs allow companies to provide future forecasts.



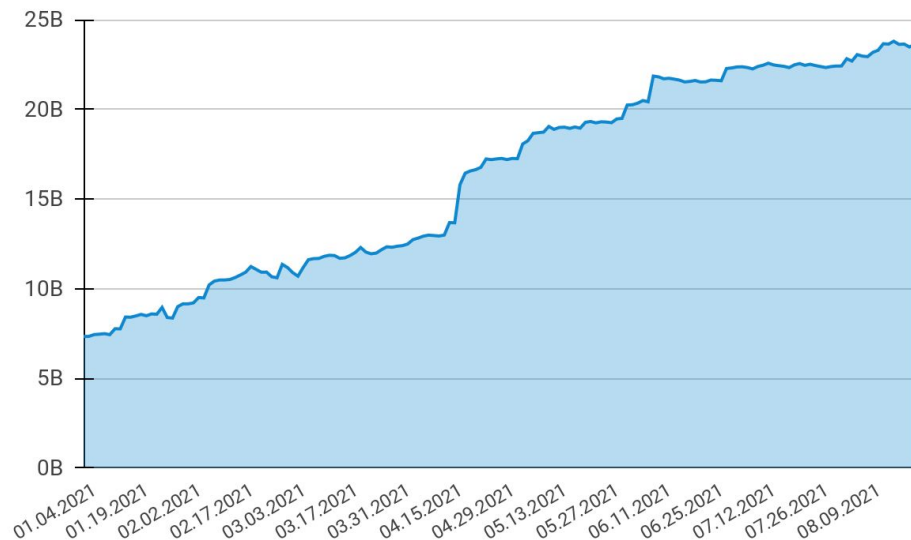
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HEALTHCARE-FOCUSED SPACs

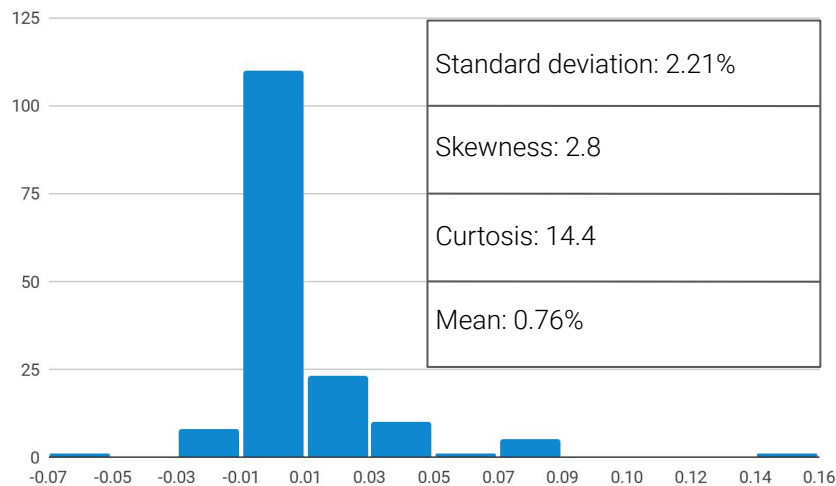
Market Overview

HEALTHCARE SPAC IPOs DYNAMICS

Total Market Capitalization of Healthcare SPACs in 2021, \$



Daily Market Capitalization Change



In 2021, the total market capitalization of healthcare SPACs had a positive trend (221.7% growth in 8 months of 2021). On average, capitalization indicators increased by 14.7% monthly. A certain jump is clearly visible in April (by 15.5%, from \$13.7B to \$15.8B). The distribution of daily capitalization change has a heavy right tail implying a comparatively high probability of positive intraday change.

It is important to note that most of the SPACs depicted on this chart are US-based and thus are dependent on the streams and flows nourishing the economy of the States. Given SPACs become a standard IPO tool in the nearby future, it would be interesting to analyze how the dynamics of this instrument will harmonize with the country's economy.

SPACs TARGETING HEALTHCARE- & BIOTECH-FOCUSED COMPANIES



Massachusetts



GreenLight Biosciences
SPAC: Environmental Impact Acq
Announced on 8/10/2021



EQRx
SPAC: CM Life Sciences III Inc.
Announced on 8/6/2021



Gelesis
SPAC: Capstar
Announced on 7/19/2021



Pear Therapeutics
SPAC: Thimble Point Acq
Announced on 6/22/2021



Valo Health
SPAC: Khosla Ventures I
Announced on 6/9/2021

Nevada



P3 Health Partners
SPAC: Foresight Acquisition
Announced on 5/25/2021

New York



DocGo
SPAC: Motion Acq
Announced on 3/9/2021

Oregon



Memiac
SPAC: MedTech Acq
Announced on 8/13/2021

Pennsylvania



Caritas Therapeutics
SPAC: ARYA IV
Announced on 9/29/2021

California



HeartFlow
SPAC: Longview Acq II
Announced on 7/15/2021



Pardes Biosciences
SPAC: FS Development II
Announced on 6/29/2021



The Oncology Institute
SPAC: DFP Healthcare
Announced on 6/28/2021



Revelation Biosciences, Inc.
SPAC: Petra Acquisition
Announced on 8/31/2021

Connecticut



Hyperfine and Liminal Sciences
SPAC: HealthCor Catalio Acq
Announced on 7/8/2021

Florida



MSP Recovery
SPAC: Lionheart Acquisition II
Announced on 7/12/2021

Indiana



Alpha Tau
SPAC: Healthcare Capital
Announced on 7/8/2021

As of November 2021 there are 18 SPACs which closed their IPOs and announced the ongoing acquisition of Healthcare- or Biotech-focused companies.

The United States remains to be the leader in terms of SPACs and target companies headquarters.

2021 has seen the formation of the significant number of SPACs targeting Healthcare- & Biotech-focused companies. Such companies deserve attention, as demand rises for digital health solutions like remote health monitoring, connected medical devices and telehealth, new drugs and treatments.



Switzerland

MoonLake Immunotherapeutics AG



SPAC: Helix Acquisition

Announced on 10/04/2021



Hong-Kong



Prenetics

SPAC: Artisan Acq

Announced on 09/15/2021

SPACs APPEALING TO HEALTHCARE SECTOR

It is important to understand why a healthcare startup would choose a SPAC over a direct listing or an IPO. Ever increasing number of late-stage biotech and healthcare startups choose to exit through a SPAC rather than the traditional route, and SPAC mechanism will continue to be a popular solution for top startups.

Healthcare startups that have experienced rapid growth might take advantage of a SPAC to capitalize on that growth because it is quicker and cheaper upfront than the traditional IPO route.

72

Healthcare- and BioTech-focused SPACs looking for targets

51

Healthcare- and BioTech-focused startups with > \$180M in total private funding

Key factors designating the attractiveness of SPACs for healthcare companies:



SPAC deal-making is quicker than IPO preparation, so exiting via SPAC can mitigate fear that demand for an initial public offering will not be around six months from now.



SPACs also give companies more flexibility to share future earnings projections, which can make a deal more attractive – especially with pre-revenue companies.



High growth sectors are most attractive to SPACs. There is an increased demand for digital health solutions and new drugs and treatments that could be used to fight COVID-19, in particular.

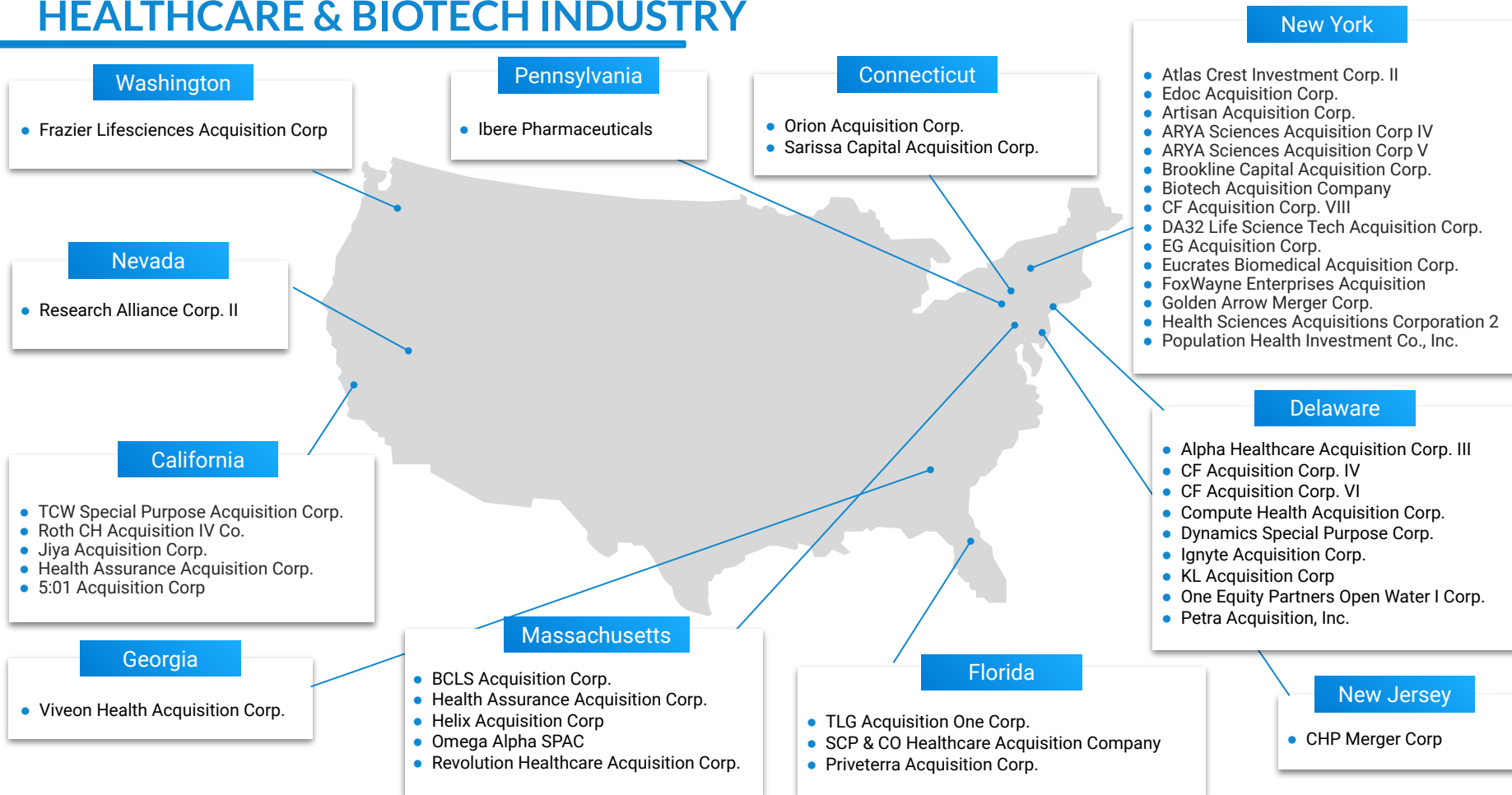


Successful startups in the biotech and healthtech see that demand is high for biotech solutions, and they endeavour to move fast to seize the opportunity before it dissolves. SPACs enable them to secure a deal within just a few months of negotiations, as opposed to the year or more it usually takes for a traditional IPO



The SPAC mechanism is delivering more and faster liquidity in healthTech and biotech industries.

TOP 50 US BASED SPACS SEARCHING FOR INVESTMENT TARGETS IN HEALTHCARE & BIOTECH INDUSTRY



DKG Analytics for SPACs

Leading Analytics Agencies for HealthTech SPACs

Deep Pharma Intelligence (DPI) is a strategic partner to the leading Life Science organizations, investment institutions, and governments across the globe – in matters related to investment analytics, strategic positioning, and policy development in the areas of pharmaceutical and biotech research, and healthcare tech. Deep Pharma Intelligence is regularly producing open industry reports covering high-growth sectors in the Life Sciences, as well as more in-depth proprietary research which is available to our clients and strategic partners.

The core activities of **InvestTech Advanced Solutions** comprise producing the comprehensive analytical reports and proprietary analytics. The value proposition for SPACs can be condensed to the following services:

- Identification of the most promising investment targets
- Automated Data-driven Due Diligence
- Matching with Prospective Investors
- Product-market fit assessment
- Deep Comparative/Competitive analysis
- R&D optimization
- Potential partners matching

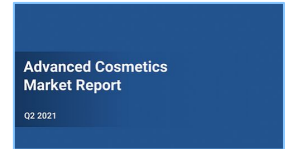
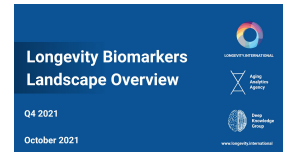
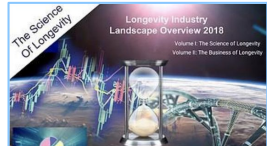
Partners:



Proprietary Version of Longevity Derivatives and Financial Instruments Report and open-access Longevity Investment Digest

AGING ANALYTICS AGENCY TIMELINE

Aging Analytics Agency has produced dozens of the Longevity Industry Landscape Overviews and Proprietary Analytical Case Studies during the last four years. In April 2021, the agency has presented 100+ Page Report, and Interactive IT Platform Features Detailed Analysis, Comprehensive Commentary & Tangible Benchmarking of UK House of Lords' Science and Technology Select Committee "Ageing: Science, Technology and Healthy Living" Report.



2018

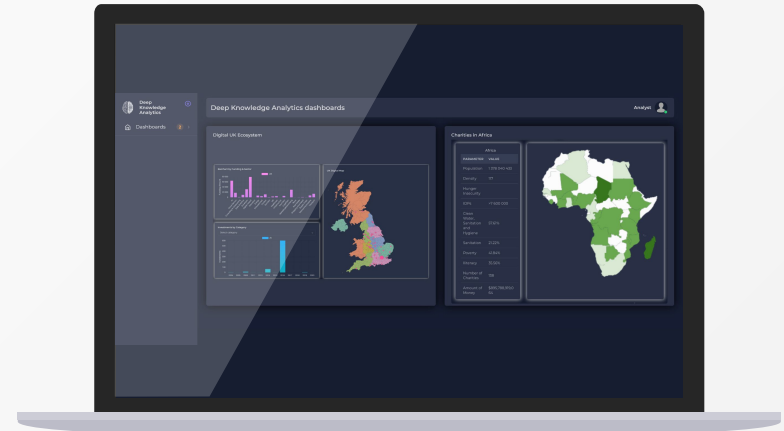
2019

2020

2021

Website: www.aginganalytics.com

BIG DATA ANALYTICS DASHBOARDS



Along with its subsidiaries, Deep Knowledge group has developed a number of Big Data Analytics Dashboards, allowing to conduct deep market research in Longevity, Pharmaceutical and other areas.

Big Data Analytics Dashboards can provide:

- **Benchmarking services**
- **Portfolio analysis**
- **Dynamics tracking**
- **Matching tools**
- **40K + Companies**
- **3K + Public companies**
- **3K + Financial institutions**



Deep Knowledge Group's Media Presence



"'The one billion retired people globally are a multi-trillion dollar opportunity for business,' said Dmitry Kaminskiy ... He called on the government to prioritise the development of artificial intelligence in the field of ageing research and preventive medicine, and bring the financial and longevity industries together." [Financial Times](#)



"'The notion that health, rather than wealth, is the most valuable asset class, will see the ascendance of regions that promote both individual and institutional migration and relocation on the basis of prioritizing well-being, rather than capital,' Dmitry Kaminskiy, cofounder of Deep Knowledge Group, said in a press release." [Business Insider](#)



"Assistive technology, or 'agetech', is one way that older people can gain greater independence ... Agetech can also include financial products and services optimised for older users. 'Today, most fintech banks are aimed at younger people using smartphones,' Dmitry Kaminskiy told *The New Economy* ... 'A lot of venture investors, angel investors and big financial institutions will recognise the opportunity of the market, and they will start to invest in it,' he said." [The New Economy](#)



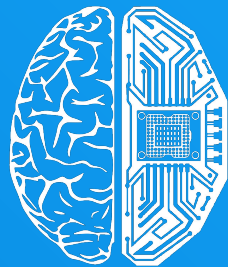
"Venture capitalist Dmitry Kaminskiy thinks he has what it takes to lengthen people's life spans: a million-dollar prize, which he will award to the first person to beat the current longevity record and reach his or her 123rd birthday ... The goal of the prize is twofold: to get the public interested in longevity research and to motivate people to live longer lives." [Forbes](#)



"Dmitry Kaminskiy, Managing Partner of Deep Knowledge Group, said: 'Artificial Intelligence is helping researchers analyze gigantic datasets to forecast the spread of the virus, to provide an early warning system for future pandemics and to identify vulnerable populations needing help. It has also accelerated the pace with which we are identifying many promising vaccines and treatments.'" [Forbes](#)



"Dmitry Kaminskiy ... points out that The nations that achieve national HALE and QALY will come to be seen as the first true longevity states, and the regions and municipalities within them – the industry clusters that will be the engines of change – will come to be recognized as the first longevity valleys." [Henley & Partners](#)



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