

## A successful SPAC IPO on Euronext Amsterdam

19 November 2020

A number of SPACs have recently been listed on Euronext Amsterdam with further deals in the pipeline. There are some differences between a typical US SPAC and the structure on Amsterdam-listed SPACs. We have assembled the table below which outlines the core features of the 2020 listing by Dutch Star Companies 2 on Euronext Amsterdam. For more information about A&O's role on this deal please contact Tim Stevens, Marco van der Meer or your usual A&O contact.

### Offering details

#### Issuer

- Dutch Star Companies TWO B.V. (DSC2)

#### Deal Size

- €110 million maximum

#### Escrow

- 99% of the proceeds in escrow to pay for the future Business Combination

#### Offer Price

- €60 per unit, consisting of six shares plus three warrants at IPO plus three warrants at BC

#### Offering

- Institutional offering, retail possibility in the NL, Reg S for US

#### Listing

- 19 November 2020 start of trading on Euronext Amsterdam
- Only units offered, but shares and warrants trade separately

#### Capital Structure

- 11 million ordinary shares
- 5.5 million warrants allotted at IPO, and another 5.5 million at Business Combination
- 290,000 special shares for Sponsors
- High nominal value ordinary shares to protect tax treatment for key investors

#### Conversion

- Warrants automatically convert into shares at Business Combination and the share trades above thresholds of €11, €12 and €13
- Max warrants dilution 24% (assuming BC and share price above €13)

#### Business Combination

- two years from IPO, possible six months extension
- 70% shareholder vote required, escrow repaid on no-voting share
- Targeting single Dutch or EU business, in wide sector, €10-75m EBITDA

#### Anti-Dilution

- Customary anti-dilution protection

#### Sponsors

- Same sponsors as successful DSC1 SPAC in 2018 which combined with CM.com in 2020
- Mr Niek Hoek, Stephan Nanninga and Oaklins, represented by Mr Gerbrand ter Brugge
- Sponsor take up to 9.9%

#### Lock-Up

- Sponsor lockup until six months after Business Combination





## Key transaction highlights

### First SPAC IPO in the Netherlands and first European SPAC IPO in 2020

While the capital markets in the U.S. saw a record breaking 150+ SPACs conducting an IPO in 2020, this is the first 2020 SPAC IPO in Europe

### SPAC can benefit from Covid-19 opportunities post-IPO

The effects of COVID-19 have put businesses under financial stress thus creating a target-rich environment for SPACs that can provide equity to strengthen the balance sheet and could offer a quicker route to the public capital markets for businesses that are ready to go public.

### Very successful pre-launch investor commitment process

- Roughly 90% of the proceeds was pre-committed by investment funds and high net worth individuals prior to official launch of the offering.
- Formal cornerstone process led ahead of ITF in order to benefit from maximum visibility on key investors' intention to participate.
- Effectively de-risked the IPO and allowed for accelerated offering timetable.
- Prospectus shared with limited investors under NDA.

### Investor engagement fully switched to virtual mode

- Majority of investor communication successfully conducted through digital platforms/VCs, which allowed to increase the number of investor touchpoints.

### Only the second IPO in the Netherlands ever to use the legal form of a B.V.

- The use of a B.V. allows the SPAC to complete the future Business Combination more efficiently.

### DSC2 looks to build upon earlier success of Dutch Star Companies One's (DSCO) successful business combination with CM.com

- DSCO realised excellent returns for its investors after a Business Combination with CM.com in February 2020, with a >100% return as of November 2020 (including warrants).
- Dutch Star team and Allen & Overy have unparalleled experienced in the Netherlands with structuring and executing a SPAC IPO.
- The Dutch Star team is looking to repeat this success with DSC2 and to again build a high quality and stable shareholder base to offer to potential business combinations.

### Directors' and investors' interests well aligned through a variety of measures

Warrant structure gives superior investor return when the stock performs well.

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