

€365 million EU FinTech SPAC lists in Amsterdam

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 2021 listing by EFIC 1 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

- European FinTechIPO Company 1 B.V. (EFIC1)

Deal Size

- €365 million, plus 14% greenshoe

Escrow

- 100% of the proceeds in escrow to pay for, *inter alia*, the future Business Combination

Offer Price

- €10 per unit, consisting of one share +1/3 warrant

Offering

- Institutional offering only, targeting EU and US (Reg S)

Listing

- 26 March 2021 start of trading on Euronext Amsterdam
- Units split into shares and warrants after 35 days or earlier exercise of greenshoe

Capital Structure (excl greenshoe)

- 36.5 million ordinary shares
- 12.2 million warrants
- 8.2 million special shares for Sponsors
- 2 high nominal value capital shares for Sponsors

Warrants

- US-style warrant structure
- Exercise price at €11.50, exercisable as of 30 days post BC until five years post BC or earlier upon redemption of the warrants or any liquidation
- Forced redemption if share price >€18, cashless redemption possible if share price >€10

Business Combination

- two years from IPO
- 50% +one shareholder vote required, no quorum
- Shareholder may reclaim pro rata share of funds in the escrow account
- Targeting single Fintech that operates in, or is headquartered in Europe, including the United Kingdom, or Israel, valued >€1 billion

Anti-Dilution

- Customary anti-dilution protection for warrants and special shares

Sponsors

- EFIC Co-op Sponsor, grouping management shareholdings
- H.T.P. Investments
- At-risk capital of up to €7.6m provided through purchase of founder warrants @ €1.50 each

Lock-Up

- Sponsor lockup (i) for special shares: until 12 months post BC or 150 days post BC if share trades >€12 and (ii) for founder warrants: 30 days post BC

Advisers

- Allen & Overy (legal adviser to EFIC), Aperghis & Co (financial adviser), Credit Suisse (GC and JBR), Davis Polk & Wardwell and Stibbe (legal advisers to GC) ABN AMRO (JBR)



Key transaction highlights

Fourth SPAC IPO on Euronext Amsterdam

- A&O advised on all four SPACs
- Fifth EU SPAC in 2021 (compared to 276 in US)

Second Amsterdam SPAC targeting institutions

- Strong interest from institutional investors, in both the EU and US

US-style terms ...

- US-style terms on warrants, redemption, sponsor promote and lockups
- Differences limited to escrow (instead of trust account), no forward purchase, conversion of units

... but with an EU entity ...

- SPAC vehicle uses a Dutch incorporated BV (akin to a Ltd)
- BVs are more flexible than regular corporate form for listed companies (NV, SA, AG, plc etc)
- BVs can easily be transformed into any other EU legal form

... enabling easy de-SPACing into EU targets ...

- An efficient way to de-SPAC is a legal merger, as that ensures target owners receive listed shares
- Often times EU companies can merge only with other EU incorporated entities
- The Cayman or Delaware vehicles favoured by US SPACs do not allow this

... with an EU listing ...

- For target owners, a SPAC is an alternative to an IPO
- EU companies and owners are unaccustomed/unprepared for a US listing, or unwilling to face the ongoing costs of compliance
- Euronext Amsterdam listing enables a listing on any other EU regulated market of target country

... at an accelerated timeframe

- De-SPACing process estimated to take 3-4 months, from start to finish
- Compares favourably to US SPAC (6 months) and IPO (9-12 months)

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